

INTERNATIONAL
Herald Tribune

Published with The New York Times and The Washington Post

29,073

PARIS, TUESDAY, JULY 20, 1976

Established 1887

**Facing Soviet Advances
U.S. Choosing Sides
In Central Africa**

By Leslie H. Gelb

WASHINGTON, July 19 (UPI)—The Soviet Union and the United States now face each other in a new, more complex and more dangerous struggle in Central Africa, from Somalia to Angola, from Kenya to Zaire. It is the position of the administration that the United States now has no choice but to maintain its position in the region, and that it is the position of the administration that the United States now has no choice but to maintain its position in the region, and that it is the position of the administration that the United States now has no choice but to maintain its position in the region.

**U.S. Delays
Evacuation
In Lebanon**
Embassy Reports
Security Problem

BEIRUT, July 19 (UPI)—Citing security reasons, the U.S. Embassy today postponed an evacuation of foreigners from Beirut as fighting spread across the country after Syria rushed reinforcements toward battle areas.



Houses and part of the Luebnurg-to-Luebeck railroad in the town of Erbendorf, West Germany, knocked off their foundations by floodwaters from Elbe River lateral canal.

Break in Floor Investigated

LUENBURG, West Germany, July 19 (UPI)—Authorities said today they could not explain why a new canal burst its floor, causing damage estimated at between 50 million and 100 million marks (\$18.6 million and \$39.2 million) in northern Germany.

**Italy Aid Dispute
Causes Chagrin
At EEC Meeting**

BRUSSELS, July 19.—Common Market foreign ministers today were caught in the backlash of reported remarks by West German Chancellor Helmut Schmidt that Western aid to Italy was conditional on keeping the Communists from sharing power.

**on Fails at Courthouse
College Buildings Burned
Continuing S. Africa Unrest**

ANNENBURG, July 19 (UPI)—After a mass meeting called to urge a day of prayer for Soweto, the huge township outside Johannesburg where student protests ignited the June riots, a student protest June 18 that set off the fire in which 174 blacks and 10 whites were killed.

**U.K. Closing Base,
Last in Mideast**

MUSCAT, July 19 (Reuters).—Britain will close its last military base in the Middle East in March and also withdraw an air force unit from southern Oman, the Foreign Ministry announced today.

**Responds to Democrats on Watergate
Ford Sees Victory as 'Very Close'**

WASHINGTON, July 19 (UPI)—President Ford, claiming he is "very close" to winning down the Republican presidential nomination, today challenged Democratic criticism of his pardon of former President Richard Nixon, saying he acted in the national interest and "I would do it again."

**French Franc
Drops Again**

PARIS, July 19 (UPI)—The French franc lost a further 1.4 per cent on the foreign exchange market, putting the loss since last Monday at 3 per cent and since the beginning of the year at 9.3 per cent.

**re Held in Japan
ckheed Inquiry**

O, July 19 (UPI)—Autopsy reported the arrest more officials of a giant company in connection with Lockheed scandal.

The Third World Nations Are Moving Toward a More Restricted Press

By Deirdre Carmody
NEW YORK, July 19 (UPI).—A major movement appears to be under way by Third World and Latin American countries that would restrict the free flow of news reporting in and out of these areas and eventually replace it exclusively with government-controlled information.

Poland Jails Six for Roles In Price Riots

Verdict Seen Today In a Second Trial

From Wire Dispatches
WARSAW, July 19.—Six men involved in riots last month against proposed food-price increases in Poland were today given sentences ranging up to 10 years in jail.

They were convicted of taking part in group violence and damaging public property at Radom, south of Warsaw.

The judge said that the sentences were severe because some of the men had previous convictions and others were social parasites—a term for persons who have no regular employment.

Press reports described the six as particularly aggressive. The youngest defendant, aged 18, was jailed for five years.

Looted, Set Fires
The accused were identified by Radom workers as being among crowds of demonstrators who looted more than 40 shops and kiosks and set fire to Communist party headquarters.

Tomorrow, the Warsaw District Court is due to give its verdict in a trial of seven men accused of derailing a diesel locomotive during food riots near the Ursus tractor plant.

Nineteen Poles in the Warsaw area were said to be facing trial for offenses during the food riots.

The trials are closed to the Western press and the government-controlled local press is playing them down.

On June 23, a workers' demonstration in Radom against the announced price hikes turned into a battle with police. Official reports said that two workers were killed and 76 policemen were injured, apparently by stones thrown by the crowd.

Spain Bombs Claimed by Unknown Unit

MADRID, July 19 (UPI)—A leftist "October 1 Anti-Fascist Resistance Group" claimed today to have organized the wave of bombings that hit Spain yesterday, the 40th anniversary of the beginning of the 1936-39 Civil War.

Officially, police remained silent on the bomb attacks that injured seven and did heavy damage to a number of government buildings and monuments.

Tracts signed by the organization were found scattered in El Ferrol del Caudillo, Vigo and Seville—all cities where there were bombings. The group was unknown to the Spanish public but the news agency Europa Press said it was a group with a Maoist line.

The Bilbao offices of the newspaper Pueblo received a note signed by the group, which apparently is named for the terrorist attacks of Oct. 1 last year that killed four Madrid policemen. These attacks were carried out by the Patriotic Anti-Fascist Revolutionary Front, a Maoist group.

"Take Up Arms"
"The people will be free if they take up arms," the note in Bilbao said.

The tracts said "the fight to eliminate the fascist army, police, laws and institutions has begun."

Fixing responsibility for the bombings was an extremely delicate matter for the government, which is trying to democratize the country. Rightists have often used "leftist terrorism" as a pretext to oppose reform.

The newspaper Informations said police had doubts about the authenticity of the tracts and about whether an unknown group would be able to carry out a nationwide wave of bombings.

"Democracy has not yet been instituted and already there are people trying to sabotage it," Pueblo said.

Police speculated that dynamite stolen in a raid on a private storehouse in northwestern Spain last month might have been used in the attacks.

A striking collection of summer trousers

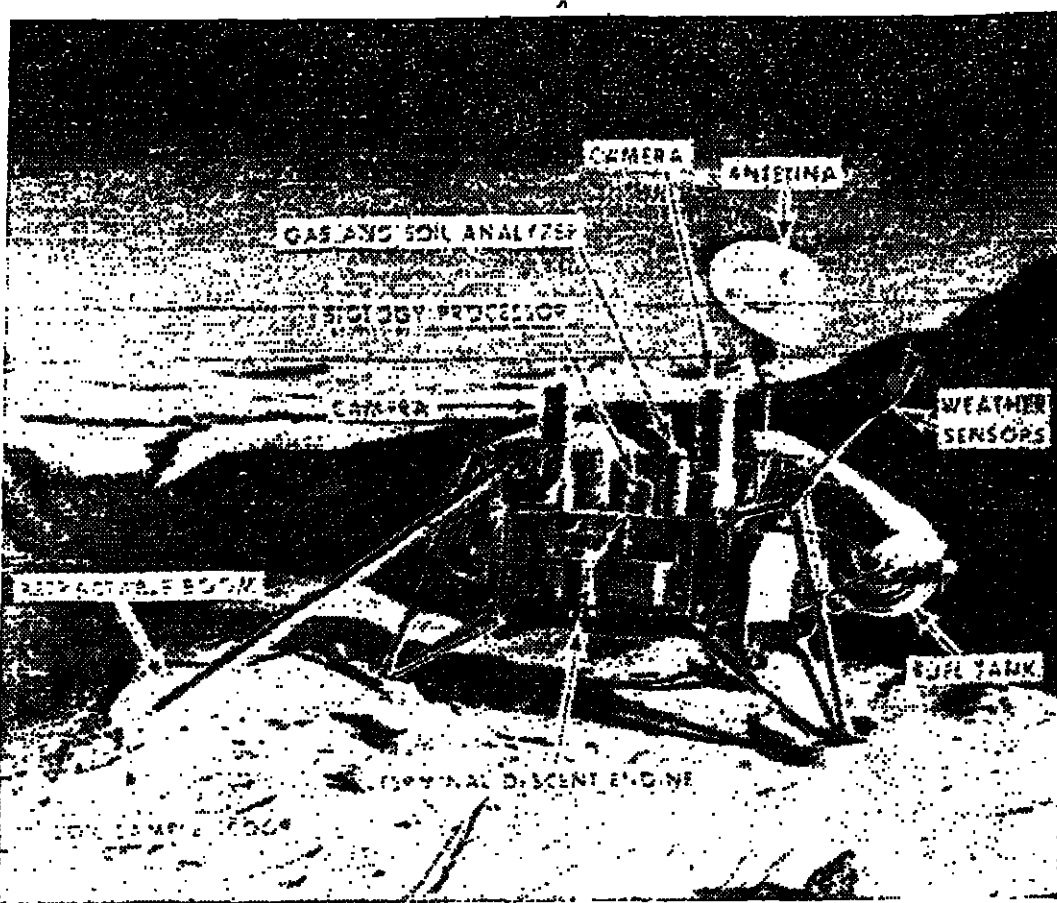
Whatever your fashion preference, you can find what you're looking for at Larvin 2. If your taste goes unflatteringly to jeans, you can choose between blue and beige cotton with raised seams and the Larvin 2 signature on the pocket (€ 220).

A more traditional cut, available in a wide variety of colors, has the extra advantage of a wrinkle resistant linen weave (€ 200). For travelling, Larvin 2 has a selection of no-iron trousers in both classic and casual styles (€ 330). And for summer days in the city, you'll appreciate the lightweight elegance of mohair and wool blends or gabardine (€ 390).



LA RVIN

2, rue Cambon, Paris 1^{er} - Tel. 260.35.83



IF ALL GOES WELL—A drawing of how the Viking lander is supposed to look after its scheduled landing today on Mars. It is shown with its soil-sampling scoop extended.

Leader, 70, Runs One-Man State

Ivory Coast, French Worry About 'After Houphouetisme'

By John Damton

ABIDJAN, Ivory Coast, July 19 (UPI)—President Felix Houphouet-Boigny makes his countrymen nervous when he says that, like George Washington, he would like to return to his plantation and slip into retirement.

Ever since the Ivory Coast became independent in 1960, Mr. Houphouet-Boigny has ruled over the prosperous country with paternal majesty, winning over political opponents by the unrelenting tactics of reasoning with them and offering them jobs.

He has achieved not just a one-party state, but a one-man state, and now that he is 70, people are worrying what will happen—as it is delicately put—"after Houphouetisme."

Particularly anxious are the French. They are 45,000 strong here and hold so many positions of hidden power in government and of open control in industry that neighboring Ghanaians joke that the Ivory Coast ought to declare itself a colony again to get rid of them.

On paper, the succession problem has been solved. At a party congress last October, the President announced, amid signs of relief, that he would stand for another five-year term. "In these difficult times," he said, "with countries floating like anchorless boats on the turbulent waves, a nation must keep its captain." The following month he was elected without opposition, by a majority of 99.8 per cent.

At the same time, the Constitution was amended so that in the event of death or incapacity, the automatic successor would be the president of the National Assembly. The National Assembly leader is Philippe Yao, secretary-general of the governing party and the President's right-hand man.

The problem is that Mr. Yao, like every other politician here, has been in the President's shadow for so long that he has no power base of his own. He comes from a minority tribe, the Alladian, along the southwest coast. He also has a reputation for being anti-white or anti-French.

There is nothing on the record to substantiate the reputation. But it is firmly upheld by many Frenchmen who, when challenged on the subject, will reply simply that "it is well known."

An explanation is that Mr. Yao has been pressing behind the scenes for more vigorous application of a program of "Ivorianization," in which foreigners in high corporate and governmental positions are replaced by Ivory Coasters. The President, who has used French capital and technology to make his

Viking Is Set To Land on Mars Today

(Continued from Page 1)

country into a showcase of entrepreneurial capitalism, has moved cautiously along this line, with none of the quotas and decrees used by more nationalistic West African nations such as Ghana and Nigeria.

A transfer of power is hardly imminent since the head of state is still robust, but a Cabinet shuffle by the President in March has fueled speculation that when it comes, it may not be all that clean-cut.

One appointment was Jean Baptiste Mockey as minister of state for health and population, a position that catapulted him ahead of about 30 other ministers and made him the No. 3 man in the government.

The move surprised observers since Mr. Mockey, 15 years ago a powerful figure in the party who almost rivaled Mr. Houphouet-Boigny himself, was sentenced to death by the President in 1963 for alleged involvement in a coup plot. The sentence was commuted to several years in prison. His rehabilitation has been rapid.

Another figure who is picking up support for future leadership is Mathieu Ekra, minister of state for the interior. But he, too, has little grass-roots support.

Problem Defined
"The problem is that we have a king and no crown prince," remarked a banker here.

Mr. Houphouet-Boigny—"hammer" in his native Baoule—is not a cult figure, as are some African leaders. But he is more than popular—he is indispensable.

His picture—perhaps he is reclining in an easy chair while meeting a visiting dignitary—turns up dutifully almost every morning on the front page of the country's only newspaper, a quotation by him, a "thought for the day," is also published.

An accomplished politician even in pre-independence days, when he served as a Cabinet minister in the French government, he has since consolidated his power by building the economy, distributing government jobs and projects with an eye toward muting tribalism, and engaging in "dialogue" with potential dissidents ranging from students to labor leaders.

Internationally, the same philosophy has led him to advocate talks and to exchange diplomatic delegations with the regime of white-ruled South Africa.

And probably no other head of state could get away with the word that the President used in a speech to a United Nations meeting here last month. He referred to the 7 million people of the Ivory Coast as "children."

500 Trying to Control Austrian Forest Fire
PERLACH, Austria, July 19 (UPI)—A fire of 500 men was fighting today to control a forest fire raging near the Austrian-Yugoslav border.

Eight firemen were injured in the battle that began yesterday and spread over an area of 50 hectares, devastating a steep side of a mountain overlooking the Loibl Pass, a main thoroughfare to Yugoslavia.

Kreisky Has Surgery

VIENNA, July 19 (Reuters).—Chancellor Bruno Kreisky, 65, has had a successful prostate operation and will leave the hospital this week, a spokesman said today.

Imagine the luxury and elegance of one of the most beautiful salons in Paris (fully air conditioned).
Imagine a gentle massage in a warm, light-colored bath.
The French touch of MASSARD and his team of trained Asian masseuses prepare their Thai massage.
Try it now.
Telephone for an appointment.
Specialist and other forms of massage available.

Institut Corporel Claude Massard
6, rue de la Paix 75002 Paris
Tel. 261.27.25 261.27.97

Egypt, Sudan Sign a Joint Defense Agreement

CAIRO, July 19 (UPI)—Egypt and Sudan announced today that they had signed a joint defense pact which would "increase their ability to discharge their Arab and African responsibilities."

The announcement was contained in a joint communiqué on the results of a visit by Sudanese President Gaafar Numeiri to Egypt last week—his first since an abortive coup against his government more than two weeks ago.

Middle East observers said that the pact was aimed at warding off what the two countries regard as a Libyan threat to their security. Both Egypt and Sudan had accused Libyan leader Muammar Qadhafi of organizing the anti-Numeiri coup.

The communiqué said that the defense agreement was signed by Gen. Numeiri and Egyptian President Anwar Sadat last Thursday.

But More Seek to Leave

Many Returning to Lebanon Despite Continuing Civil War

By Douglas Watson

JUNIEH, Lebanon, July 19 (UPI)—Why would anyone pay \$25 for a tedious 14-hour boat ride in a rusty hulk to Lebanon, where people are still killing and maiming one another, with no end of the fighting in sight?

A dozen passengers on the Jada—one of half a dozen small ships and large cabin cruisers making regular runs between Cyprus and this predominantly Christian, rightist stronghold—listed a variety of answers: Family ties, job responsibilities and a love for Lebanon that 15 months of civil war and the deaths of many thousands of persons have not been able to erase.

As the 23-year-old Jada, originally a U.S. minesweeper, rolled through the 125 miles of blue sea between Larnaca, on Cyprus's southern coast, to this picturesque city 10 miles north of Beirut, the passengers told their tales.

"I'm going back home. I was on vacation. I didn't run away," said a secretary, one of two women aboard. She hoped to cross the dangerous front lines of divided Beirut to her home.

Her daughter, who left her job with a U.S. bank after it was forced to close its Beirut office last winter, was heading for the mountains "just to sit."

Although she was once kidnapped and held by leftist soldiers for "an hour," the young woman declared, "I won't leave Lebanon. Anywhere else we go, we are homeless."

A young Lebanese, returning after having worked two years as a printer in the United Arab Emirates, wondered what he would find in Lebanon: "I go there and I don't know what I find there—if I find my family or not. Maybe I'll go fight, maybe not."

A young Jewish man in the import-export business said that he now works outside Lebanon about half the time but "I have to come back." Asked when the war will end, he said, "I am waiting, like every Lebanese."

A Japanese representative of a zipper manufacturer, which had moved its plant from Beirut to Kuwait, was returning to see what was left of the company's equipment in Lebanon.

A Lebanese-American with a U.S. passport was returning from a visit to the United States, where he hopes to move his family. "My son has already missed a whole year of school," he said.

Doesn't Want to Leave
A Lebanese engineer, out of work for four months, had been away setting up an office in another Arab country and was returning to see his family. "My wife doesn't want to leave Lebanon," he explained.

A surgeon and Maronite member of Lebanon's Parliament, which has not been able to meet for months, complained that press coverage of the war has been biased against the rightists and said he believes that the United States wants Lebanon partitioned into smaller states.

Cyprus authorities limited the Jada to a dozen passengers, but the crew of eight slipped an extra passenger past the authorities onto the 125-foot ship. The boat was successively a U.S., French and Dutch vessel before becoming Greek-owned.

Although the boats advertise that they are air-conditioned and have state rooms and bars, they are hardly luxury liners. Every one aboard the Jada was glad that the Mediterranean cruise lasted 14 hours and not 14 days.

Heavily Loaded
The Jada and other small, rusty, leaking Lebanese vessels are heavily loaded with departing refugees.

Four days later, the Jada, with 27 bunks and one working toilet, carried 129 passengers from Lebanon.

Four on board the Jada slept in the sturdy cabins, preferring to lie on benches above deck to catch the breeze. The lights from a few other passenger ships were all that were seen.

Lebanon's towering mountains came into view about 6 a.m., 12 hours after the voyage began. The Jada's captain said that the Jada might be heading north for rightist Junieh, but for leftist Beirut, "where they'll kill us."

The Jada anchored in Junieh's harbor, near bobbing fishing boats, until the pilot and immigration authorities boarded.

There was no customs search of luggage. A passenger said, "Lebanon exports hashish and, as for guns, we need all we can get."

75,000 Evacuated From Gulf Coast In Mexico Floods
MEXICO CITY, July 19 (AP).—More than 75,000 persons had fled 13 communities in the states of Tamaulipas and Veracruz by late yesterday as the flood crest of the Pannuco River surged toward Mexico's Gulf coast.

Unusually heavy storms have been sweeping Mexico from north to south for two weeks, devastating the coastal states of Tamaulipas and Guanajuato and causing damage in nine other states.

An estimated 120 persons have been killed in the floods and 220,000 have been left homeless.

The rain stopped yesterday in most of the stricken areas. The weather service reported that two tropical storms that had been brewing in the Pacific no longer endangered the mainland. But the Pannuco, swollen by 14 days of heavy rain, continued to threaten Gulf coast areas. Many of these were hit by flash floods last week.

An estimated 50,000 persons were forced to leave the Tamaulipas cities of Tampico, Ciudad Madero and Ciudad Mante. Ten other communities along the river were reported moving about 25,000 residents out of the path of the flooding.

N.J. Plane Crash Kills 5
WEST MILFORD, N.J., July 19 (AP).—Five persons were killed yesterday when a single-engine private plane crashed 700 feet short of a runway and exploded in flames.

mercenaries carrying out a criminal conspiracy against the sovereignty, security and achievements of Sudan."

Following Gen. Numeiri's visit to Egypt, he and Mr. Sadat went to Saudi Arabia Saturday for summit talks with King Khalid, but earlier speculation that Saudi Arabia would join the Egyptian-Sudanese pact proved untrue.

A separate communiqué, issued at the end of the summit talks today, said that the three countries agreed to forge close relations "in all spheres" and appealed for an immediate end to the fighting in Lebanon.

The Jiddah talks involved Mr. Sadat, Gen. Numeiri and King Khalid of Saudi Arabia.

"The three leaders agreed to promote and intensify cooperation among their countries and

peoples and set up joint institutions to push this cooperation forward along the path of Arab solidarity and brotherhood," the communiqué said.

Peoples' Aspirations

It added, "Cooperation among the three countries in all spheres should proceed in a firm and escalating trend, in accordance with the peoples' aspirations."

The three leaders, referring to Lebanon, called for an "immediate end to all acts of fighting, violence and provocation which threaten and destroy the lives of innocent persons."

They condemned the continuation of fighting at a time when the Arab nation was looking forward to an end for this bloody tragedy and for "a round-table national reconciliation conference," the communiqué said.



ACROSS THE BORDER IN ISRAEL—A Lebanese woman waiting for treatment in an Israeli Army medical center.

Israel Opens Border to Lebanese Seeking Food, Markets, First Aid

TEL AVIV, July 19 (AP).—Israeli soldiers are opening gates along the Lebanese border to allow Arab civilians to shop in Israeli stores, receive medical treatment and sell farm produce, Defense Minister Shimon Peres said today.

Muslim and Christian Lebanese cross the border every day to buy with Lebanese currency—which obviously is not the most stable one—products at our supermarkets, [and] to buy fuel and water," Mr. Peres said.

He said more than 2,800 Arabs had been treated by Israeli Army doctors at first-aid tents a few yards from the border fence.

He said Israel was starting to buy produce, mainly tobacco, from Lebanese farmers. Mr. Peres said Israel opened two gates in the 70-mile border as part of a policy of being a "good neighbor" without strings attached.

Facing Soviet Advances

U.S. Is Drawn Into Struggle For Power in Central Africa

(Continued from Page 1)

African experts and policymakers alike seem to believe that actual war is both likely and possible between Ethiopia and Somalia.

The military government of Ethiopia is fighting rebels in Eritrea and faces the prospect of war with Somalia over the French Territory of the Afars and the Issas. The French will leave this last of their African colonies in about a year. Its port city of Djibouti is the main trade outlet for Ethiopia, but its people are overwhelmingly Somali.

According to U.S. officials, Ethiopia has been trying to establish its socialist credentials and a new relationship with Moscow. In recent months, State Department officials said, Moscow rejected Ethiopian requests for arms, but now Moscow and Ethiopia have concluded an economic aid agreement.

Ethiopian Purchases
Ethiopia continues to make large arms purchases from the United States. Since last October, official estimates put the total at \$100 million, including more than a dozen F-5Es.

U.S. economic aid to the states in the region has kept steady at about \$70 million a year, significantly more than Soviet economic aid.

French Bank Robbed
NICE, July 19 (UPI).—Thieves tunneled under the Société Générale bank during the weekend and made off with the contents of nearly 200 safe-deposit boxes, police disclosed today. The value of the loot has not been determined.

Third World Studies Press Restrictions

(Continued from Page 1)

scheduled to have been held in Quito, but was called off after some Latin American journalists protested that government control of the press was tantamount to background papers being circulated to participants.

One of the most threatening aspects of all of this, according to Mr. Sussman, is that "there is no sense of regional solidarity on the issue so that the left and the right now have one thing in common—they know how to repress the press."

"This is the one thing we fear so much," he said. "The one thing they always have in common will be that they will not want to see the AP and the UPI have the role they now have."

The AP and the UPI said that whereas a lot of general allegations had come out of the New Delhi meeting and during the preparations of the Unesco meeting, neither press agency had been approached directly with specific criticisms about its coverage.

"We have, for years been criticized for alleged failure to

present views of the local governments in the ways they were would like them presented," said UPI president Frederick Beaton.

"But I can't see for the life of me how the kind of thing two of them are now proposing could have any credibility," he said.

"The information that would be sent out would be sent into a pool by governments and then distributed. It would essentially be propaganda. But the thing that disturbs us most is to the Unesco sponsorship—they are going against the United Nations Charter."

JPL 100150

Despite Reagan's Confidence, Backers Worry That Campaign Trail May Be at End

By Lou Cannon

LOS ANGELES, July 19 (WP).—Ronald Reagan has returned home to his ranch from the last Republican state convention, with some of his top aides and supporters acknowledging privately that he may have reached the end of the presidential political trail.

In a subdued and reflective interview aboard his campaign plane during the flight from Salt Lake City to Los Angeles, the former California governor still claimed that he would win the Republican nomination on the first ballot in Kansas City.

But even Mr. Reagan spoke of his candidacy in terms of the influence it has exerted on the Ford administration than in terms of victory.

"I think my candidacy has been worthwhile," he said.

A top Reagan organizer said today that Mr. Reagan is outraged at suggestions that he has given up hope of winning the nomination, the Associated Press reported. Sen. Paul Laxalt of Nevada said, "Stories in today's papers that imply that Gov. Reagan has given up are totally without foundation. I have talked to Gov. Reagan and he is outraged that any such connotation be given to any statements by him or any of his aides."

Mr. Reagan's campaign manager, John Sears, told a news conference today that Mr. Reagan now had 10 more delegates than the 1,130 needed to win the GOP nomination. "I'm more confident he will be nominated on the first ballot than I have ever been before," he said, according to UPI.

Some aides say his chances for success were lost earlier this month in North Dakota, where President Ford won 12 delegates to 4 for Mr. Reagan, with 2 uncommitted. The Reagan side had expected to get 10 or 11 delegates.

"North Dakota was the turning point," a Reagan aide said. "When we failed to get the delegates we needed there, it put us in bad shape."

This assessment is borne out by a Washington Post delegate count, which, with all delegates now selected, shows Mr. Ford with 1,093 delegates to 1,080 for Mr. Reagan and 136 uncommitted.

In order to reach the 1,130 needed for nomination, Mr. Ford would have to win over only 37 delegates, or slightly more than one-fourth of the uncommitted.

Mr. Ford may well be able to reach this goal in New York and Pennsylvania alone, where there are 47 uncommitted delegates. Even Mr. Reagan's most optimistic projection in these two states would leave Mr. Ford about 25 of the uncommitted delegates, meaning that he would need only a dozen from other states to win. Mr. Ford, who has been meeting or exceeding his delegate forecasts in recent weeks, is expected to get those dozen without any difficulty. He did better than expected in three of the final four state conventions. One was in Connecticut, where he got 35 delegates Saturday, while Mr. Reagan was winning all 20 Utah delegates.

Back to November

Assessing campaign results Saturday, Mr. Reagan predicted he would win enough uncommitted

delegates to gain the nomination. But he acknowledged that this evaluation "could be wrong" and said his candidacy was justified in any event by the impact it has had on the administration and the electorate.

"Let's go all the way back to November and picture no contest in the Republican party," he said.

"The word 'Republican' wouldn't even have been mentioned. If there had been any mention at all, it would be the same word heard in 1972, only worse, and that was that the Republican convention will be the dull rubber-stamping of an incumbent. Well, here we would be dull-rubber-stamping an appointed incumbent, not even someone who was elected."

"And secondly, I think a great many issues have been brought before the people that would not

have been brought out at all. The third thing, I believe, is that my candidacy has pushed Mr. Ford into positions he would not have taken."

It is because he wants to continue to be an influence on policy that Mr. Reagan has declared that he would "under no circumstances" accept the vice-presidential nomination.

"I just believe I can do more good for what I believe in... by being independent [and] going back to what I was doing—the radio broadcasts, the column, the speaking in behalf of issues," Mr. Reagan said.

"Once you become that vice-presidential candidate, you have no authority over what you're going to say in a speech. I become part of an administration and I have expressed disagreement with a great many things they're doing. No, there's just no way I would do it."

Late TV Start

Mr. Reagan's only regret seemed to be that he had not turned earlier to network television. He raised \$15 million for an impoverished campaign and revived his candidacy in a nationwide speech March 31.

That telecast and his victory

in North Carolina a week earlier keyed a remarkable comeback, that has kept the Republican presidential nomination in doubt ever since.

According to the strategy of John Sears, the Reagan campaign manager, the comeback was to have culminated in victory after uncommitted delegates saw polls giving Mr. Reagan a better chance than Mr. Ford of defeating Jimmy Carter, whom Mr. Sears accurately predicted would be the Democratic nominee.

In fact, the polls now show the opposite of this.

A Louis Harris poll released yesterday, for example, shows Mr. Ford with a 57-to-33-percent edge over Mr. Reagan among Republican and independent voters who were asked which candidate had a better chance to defeat Mr. Carter.



Ronald Reagan

ayed Neutral in 1972

Council of the AFL-CIO Votes to Endorse Carter, Mondale

WASHINGTON, July 19 (AP).—The politically powerful AFL-CIO today endorsed Democratic presidential nominee Jimmy Carter and announced a campaign to elect him to the White House in January. The nation's largest labor organization did not name a candidate in the 1972 election.

Reagan Says Libya May Be Abetting World Terrorism

WASHINGTON, July 19 (AP).—President Ford said today that he may be responsible for "world terrorism" around the world, but he declined to divulge evidence in U.S. hands.

Mr. Ford said the United States is "in a very difficult position" with other countries, particularly with the United States, to get forward "a strong, unified effort."

Mr. Ford said that Libyan leader Moammar Qadhafi is training and financing a terrorist network, was again last week by diplomats here and abroad. Mr. Ford's comments appear to reinforce the suggestion.

"I do know," he said, "that the Libyan government has, in the past, done certain things which might have stimulated terrorist activity."

Mr. Ford said he has decided to lend jets to help make up the loss of Soviet MIGs destroyed by Israeli raiders earlier this year at Entebbe Airport. During the last few years, Libya shipped arms to Palestine and Irish insurgents and led planes taken over by terrorists.

Two Climbers Killed

Wind, Rock in Alps
N. Switzerland, July 19.—Eight mountain climbers killed in the Valais Alps today as strong winds struck the region.

As of 10:30 a.m., 85 miles of up to 40 mph winds, and four women were killed at the Aletsch glacier at about the 10,000-foot level at the Sauts section.

Mischabel Massif, also about 10,000 feet, and was hit by falling rock, was scaling the west face of 9,500-foot Grand Muveran.

How to Find Newsman's Source

Use Probe Traced 50 Copies of Leaked Intelligence Study

WASHINGTON, July 19 (AP).—A House subcommittee today said it had traced 50 copies of a secret House Intelligence Committee report and that nearly all of them were in the hands of members of Congress and government agencies that draft copies of the report.

House Ethics Committee, which is investigating the leak, said it has been able to identify the source of all one version of the report among executive branch officials.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House. He said that the source would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

House Committee chairman Floyd D. D-Ga. said that the source of the leak would be identified by the end of the hearing will be whether disciplinary action could be recommended for any employee of member House.

NOT QUITE

Ten-month-old Lisa Simpson may follow in her father's footsteps but she can't fill his shoes.

Papa Larry Simpson and his daughter both rode in the grand entry parade at the 66th Annual California Rodeo in Salinas last week.

He rode in the rodeo, too.



A Thomas Paine Tombstone Unearthed Near N.Y. Village

By James Feron

TIVOLI, N.Y., July 19 (NYT).

A tombstone "in memory of Thomas Paine" has been found here, buried a few feet under the roots of a hemlock tree, perhaps solving the mystery of where the Revolutionary War pamphleteer and author of "Common Sense" was finally interred.

The seven-foot marble obelisk was unearthed Saturday by a backhoe operator digging a ditch for a septic field next to the home of John McNeil, a highway equipment operator who was astonished by the discovery.

"We checked the dates on the marker—born Jan. 29, 1737, and died June 8, 1809—in an encyclopedia and they were right. When we checked further, we found that historians did not really know where Paine was finally buried."

The political theorist whose writing had a profound effect on the Declaration of Independence was originally buried in New Rochelle but his body was disinterred for reburial in his native England several years later.

He was denied burial there, however, and the location of his final grave remains a mystery. Mr. McNeil was unable to shed any new light, saying he knew nothing that could link Paine to this once prosperous Hudson River village, near Rhinebeck.

The obelisk, whose top was broken when it was removed from the ground, also contains

the name of John Lasher, who died at the age of 80 in 1877, or nearly seven decades after Paine. Mr. McNeil said that descendants of Lasher still lived in the area.

A pipe was laid in the ditch after removal of the marker, and it has since been covered with dirt. Mr. McNeil said he would not object to it being reopened to determine if the two men are buried there, "if someone is willing to pay for it."

Replaced Mansion

The McNeils built their home 14 years ago on the foundation of an earlier house that had, in turn, replaced "a much larger place—a mansion, I'm told," Mr. McNeil said.

"It was owned by a Mr. and Mrs. Jesse Rockefeller," he said, adding that he had no reason to believe they were related to the "wealthy Rockefellers." It was Jesse, however, who apparently buried the obelisk.

"I'm told that he knew his wife would not live in a house with graves nearby, so he buried the marker before she saw it," Mr. McNeil said. "There are people in this village who remember the obelisk standing there, under the hemlock, a tree that I'm told traditionally indicates gravesites."

The Thomas Paine cottage and museum in New Rochelle contains a square tombstone representing Paine's original burial site, but George Richardson, the son of curator Mary Alice Richardson, said he could not find it yesterday.

Different Shapes

"It must be out somewhere, on display for the Bicentennial," he said, adding that there was no possibility it could be the one found here.

"They are completely different shapes, with different markings," he said.

While the New Rochelle tombstone recalled Paine's authorship and his role in the revolution, the obelisk uncovered here is simple and direct. It says:

In memory of Thomas Paine who was born at Thetford, England Jan. 29, 1737 died at New York June 8, 1809 aged 72 years 4 months and 9 days

Police Seeking 3 In California in Hijacking of Bus

LIVERMORE, Calif., July 19 (AP).

An informant overheard three San Quentin Prison inmates planning a revenge plot similar to the abduction of 26 Chowchilla schoolchildren and their bus driver, authorities reported today in an all-points bulletin for three men.

The bulletin, issued by the Alameda County sheriff's office, did not identify the informant but said he served time in San Quentin in 1974 and last year.

"During his stay, he heard about a revenge plot very similar to the Chowchilla case," the alert said. "One or more of the subjects had some reason for revenge against a small community in the Madera County area. The exact reason for their revenge was not known."

"The informant supplied this information several hours prior to the children being located," it said, referring to the escape of the 27 kidnapping victims from a makeshift underground prison Friday night.

Public Hearings Open Today

Data Show U.S. Contributed To India's Nuclear Capability

By Don Oberdorfer

WASHINGTON, July 19 (WP).

U.S. engineering assistance, training and possibly a crucial U.S.-supplied chemical ingredient contributed to India's 1974 atomic explosion, according to data filed for a public hearing this week on future U.S.-Indian nuclear cooperation.

Government documents obtained under a freedom-of-information action by lawyers in the case show that the United States received clear signs over a period of many years of India's growing capability and interest in exploiting a nuclear device but did little to stop it.

The documents and other sources reveal that, late in 1970, India rebuffed a written U.S. warning against the use of U.S.-supplied "heavy water" (deuterium) in manufacturing a nuclear device. Despite earlier statements to the contrary, there are growing indications that this ingredient was used in producing the materials for the Indian explosion.

The May 18, 1974, explosion in the Rajasthan Desert brought India into the nuclear club and set off shock waves in the capitals of other developing nations. The Indian explosion is blamed for a concerted drive by Pakistan to obtain nuclear capability and, to a lesser degree, for similar drives in Brazil and Iran.

Hearing on Fuel

The history of U.S. involvement is of major importance to a nuclear regulatory commission hearing scheduled tomorrow on whether to continue shipping enriched uranium fuel for India's atomic program. Canada has cut off nuclear supplies to India because Canadian equipment and technology were used in the 1974 explosion but the United States continues to sell India nuclear fuel.

The controversy marks the first time that U.S. export of nuclear materials has been publicly contested and the first time that a public hearing has been held on such an issue. The outcome is expected to have serious repercussions here and overseas.

The National Resources Defense Council, the Sierra Club and the Union of Concerned Scientists are seeking to block the sale to India of more uranium under present conditions. They said in a brief submitted for the hearing that in the most critical areas of policy toward India ("United States action (and inaction) disastrously sets the stage for further weapons proliferation."

Major Setback

Joining the opposition groups in written statements have been a number of well-known former officials, including former Under Secretary of State George Ball, former ambassador to the United Nations Charles Yost and former

U.S. Flu Shots Still Delayed by Insurance Snag

WASHINGTON, July 19 (AP).

David Matthews, secretary of the Department of Health, Education and Welfare, said today that an impasse continues over potential liability to vaccine manufacturers of the proposed nationwide immunization program against swine flu.

He said the four vaccine-makers told his department that they are still unable to obtain adequate insurance protection. Insurers have been reluctant to insure the vaccine-makers because of their fear of baseless law suits which might arise in such a large program of inoculations. The United States is planning to immunize its entire population against the flu.

- Guaranteed hotel accommodation in Greece
- Book your holidays now!
- Express ferry service from Europe (Ancona-Italy) to Greece (Patras)

KARAGEORGIS/CHANDRIS LINES, have chosen for your comfort, the most accessible and convenient gateway to GREECE: THE PORT OF ANCONA.

• 3 Fully air conditioned ships:

FB MEDITERRANEAN SEA

FB MEDITERRANEAN SKY

16,000 GR. TON

FB PATRIS

24,000 GR. TON

• 6 sailings per week from ANCONA to PATRAS and vice-versa.

• Rates from 68\$ per person.

• 100% reduction for return passenger rates.

• Important reductions for children, students and groups.

IMPORTANT KARAGEORGIS LINES offers you MORE!

THE SERVICE to book your Hotel!

• On board - where a specialised staff will be at your disposal.

• Through KARAGEORGIS HEAD OFFICE, through your Travel Agent.

Akti Kondyli and Etolou 2, Piraeus. Tel: 4110461/5-4173001/5

TELEX: 212674-212678.

Through NAVIGATOR-36 Akadimias St. T.T. 135-Tel: 609801/3

KARAGEORGIS LINES

The costliest perfume in the world...



JEAN PATOU
PARIS

NOBODY IN EUROPE CAN BEAT OUR ROCK-BOTTOM TAX-FREE EXPORT PRICES!

MICHEL SWISS

16 RUE DE LA PAIX - PARIS. Phone 261-71-71

ALL PERFUMES AND BEAUTY PRODUCTS
BAGS - SCARVES - TIES - FASHION ACCESSORIES

DIOR - CARDIN - ST. LAURENT - LACOSTE
CRYSTAL - CHINA - LEATHERWARE - NOVELTIES
FAKE SAMPLES - FLAWLESS MAIL ORDER SERVICE

LEARN EVERYDAY FRENCH IN PARIS OR CANNES

through films in conversation day and evening courses. Small classes at all levels. Also individual courses 20 or 40 hours weekly. Free trial lesson at any time. Self-service restaurant.

FRANCE LANGUAGES - 78, Rue Olivier de Serres - 75015 Paris
Tel: 01.40.50.02.78.90 Ext. 32.34

Old Ways Still Hold

Dublin's Cosmic Issues Raise A Weak Echo in Rural Ireland

By Peter T. Kilborn

MOUNT BELLEVUE, Ireland, July 19 (NYT).—Now that the carnival is over and most of the hay has been harvested, what seems to matter most here is the "tidy town" competition.

"We have a Tidy Town Committee," said Patrick Flood, who repairs boots and shoes for a living. "People are painting their houses and picking up paper."

"We've never won," Mr. Flood said over a pint of stout in McDonogh's combined grocery and pub "but we get good marks for trying."

More cosmic issues, too—the sort that preoccupy the politicians in Dublin—drift out to Mount Bellevue, in west-central Ireland, to the many other villages and to the small farms along the hedge-lined roads of the countryside.

Unemployment is high here, as it is throughout Ireland. The level is probably higher than the government figure of 12 per cent because the statisticians only count workers who actually apply and qualify for unemployment benefits.

Most of the residents of Mount

Bellevue work on farms or in shops. There are few job openings for the young, so the townspeople want a factory. They fear that the one factory in town, which employs fewer than 10 workers, is on the verge of closing.

Until 1960, Ireland coped with unemployment because the unemployed emigrated. Since then the population, now 3 million, has been edging upward. Jobs abroad are scarce and the United States, which absorbed millions of Irishmen, lets in only a trickle.

Irish farmers, like those all over Europe, have suffered the hottest, driest summer in a century or more. But here in Mount Bellevue, where even black cats are said to bring good luck, it rained a lot this week.

Good Rain in May
"Best summer we've had," said Thomas Cunningham, 78, a farmer in Newbridge. "We had a good rain in May. Windy and rainy May fills the barn with straw and hay."

Mr. Cunningham lives in the house where both he and his mother were born. For 30 years he commuted to a job in the British coal mines while his wife stayed home. In the United States are a sister, a brother and a son, who works at a New York cemetery.

"Northern Ireland is the biggest problem now," he said. "Shooting one another every day. Dropping bombs. But it doesn't have much effect on us in the Free State."

Another farmer, Michael Kelly, and his brother operate a small place that survives mostly on hay, two cows and some calves. "Every year we take in five calves," Mr. Kelly said. "We feed them and then in two years we can sell them on the mart."

Signs of Poverty
Signs of Ireland's poverty—it is by far the poorest member of the nine-nation European Common Market—are inescapable. Much farm work is done by hand. Many inhabitants get around on bicycles or by hitchhiking rides. There is no bus service between many towns.

The rural Irish, especially the older ones, do not know what to make of the agitation in Dublin to legalize divorce and the sale of contraceptives. The Roman Catholic Church is the focal point of family life and traditions that have changed little in generations. Although families are getting smaller, most have four or more children, and nearly all wives stay home.

When the church bell rings at noon and again at 6 p.m., the country people pause to say the Angelus.

"Divorce is no good," said the pubman at McDonogh's. "You just have a good row now and then and it's all over." But a young woman who was hitchhiking a ride to Mount Bellevue from Ahascragh wanted freedom to get divorced. "There are a lot of battered wives in Ireland, you know," she said.

Regan Knows
One of a handful of Irishmen who know—or claim to know—something about divorce is Tommy Regan. He recounted to the pubman of McDonogh's how he had been married and divorced three times, all in California, and was each woman's third husband.

"Beverly, Dorothy and Dolores," he said. "All very presentable. Each one was a cross-breed. There was a little Irish in one of them." All three divorced him but he would not say why. "Dolores," he said, "was the best of the lot. I'm going back to marry her again."

Mr. Regan, who looks 75 but who would not disclose his age, said Dolores lived in North Hollywood, Calif., and that she sent him checks now and then. "If and when you go to North Hollywood," he said, "tell her I love her more than ever."

GETTING HIS KICKS—One of the attractions at the ninth Horseman's Days celebrations July 23-25 on the plain at Dömsöd-Apajpuszta, in eastern Hungary, is, if you can believe it, soccer on horseback.



Base for Experiments

U.S. Scientists Plan to Let Ship Drift With Arctic Ice

By Walter Sullivan

NEW YORK, July 19 (NYT).—Plans are in preparation to allow an aging Coast Guard icebreaker to become frozen into the Arctic ice pack north of Siberia and be carried by drift past the North Pole toward the Atlantic Ocean.

To be known as the Nansen Drift Station, it would carry a wide range of specialists during its two to three years of imprisonment.

They would seek clues to past climate changes. They would conduct observations as high energy particles from the sun bombard the polar sky during the next maximum period of sunspots in 1978, causing radio blackouts and auroral displays.

The project would reenact the epic drift of the Norwegian ship Fram from 1893 to 1896, led by Fridtjof Nansen. The icebreaker, of the Wind class, would, however, be far more elaborately equipped for observations aloft and beneath the sea.

Proposals Invited
The Polar Research Board of the National Academy of Sciences has invited research proposals from U.S. and foreign scientists. Next month the National Science Foundation will review the proposals.

It is hoped that the Office of Naval Research will also provide support, financial or otherwise.

Scientists Cite 'Nerve Poison' in Blue Cheese

WASHINGTON, July 19 (UPI).—Two Canadian scientists say they have detected an alkaloid "nerve poison" chemical in commercial blue cheeses from seven countries.

Their findings, the American Chemical Society reported.

But the possible significance of the discovery of the alkaloid, known as roquefortine, to consumers who have been eating the traditional cheeses regularly, is far from clear, the researchers stressed.

"In view of the very limited toxicological data on roquefortine, an assessment of the possible significance of its consistent presence and the amounts found in blue cheese must await the outcome of further studies," Dr. Peter Scott and Dr. Barry Kennedy said in their article in the society's Journal of Agricultural and Food Chemistry. The alkaloid, they said, has been known to cause convulsions in mice.

They said the highest concentration of roquefortine they found was 6.8 parts per million in a highly moldy portion of blue cheese from West Germany. Other findings showed traces down to a few hundredths of one part per million and some samples of the white portions of the cheeses tested had none of the substance.

Colorado Fire Kills 3

GRAND VALLEY, Colo., July 19 (AP).—Three fire fighters were reported dead and another was in serious condition with extensive burns this weekend as a forest fire, which had already consumed 1,000 acres, raged out of control about five miles east of here.



The most civilized hotel in New York. Maybe the world.

The Regency Hotel
Park Avenue at 61st Street, New York, N.Y. 10021 (212) 760-4100
See us for all your travel needs. Offices throughout the world.

Andreotti Sounds Union Leaders on Economic Policy

ROME, July 19 (Reuters).—Trade union leaders today met Premier-designate Giulio Andreotti, outlining the economic policies which they think should underpin a new Italian government.

The discussions ended Mr. Andreotti's first round of consultations on a Cabinet. He will start the second round Wednesday, presenting the leaders of Italy's political parties with a draft program and his ideas on the composition of a new government.

Observers said there is no doubt that if Mr. Andreotti is to obtain the essential parliamentary support of the Socialist party, and tacit backing from the Communists, he must reach an agreement on economic policy with the trade unions.

The unions have said they are ready to accept some curbs on wages if the government will concentrate on fighting unemployment and stimulating investment.

India Sees Oil Self-Sufficiency In New Offshore Production

BOMBAY, July 19 (NYT).—For more than a month, an oil tanker has been shuttling daily between a drilling ship stationed 100 miles out in the Arabian Sea and a refinery near here.

The tanker has carried 8,000 barrels of crude oil, one day's output at the offshore field called Bombay High. The oil symbolizes India's rising hope to achieve self-sufficiency in oil.

Bombay High is the first offshore field developed by India. By world standards, this is a minor find, but considering the comparatively low rate of Indian consumption, the total yield from this one source is expected to meet nearly a third of the annual requirement within five years.

The field, which is expected to yield at least 10 million tons of oil annually by 1980, was discovered after years of futile search nearer shore and just when India was looking desperately to augment its own onshore production of 7 million tons.

Import Bill
At present more than two-thirds of India's oil needs are imported from the Middle East. The price increase of 1973-74 raised the import bill from \$150 million to \$1.5 billion a year, draining three fifths of India's foreign-exchange earnings.

The find in Bombay High, with a proven reserve of at least 250 million tons, raised both Indian morale and credibility and helped the government negotiate with the Arabs for supplies on easy credit.

With a severe cut in consumption, the rate of demand is increasing only by 2 per cent a year and this is matched by an increase in domestic output.

Last year, onshore production went up by more than a million tons and this year's production is expected to rise by another million, including half a million from Bombay High.

According to officials of the government-owned Oil and Natural Gas Commission, which has been conducting the explorations,

Japan to Give Egypt Loan for Port Work

TOKYO, July 19 (UPI).—Japan has agreed to provide Egypt with a 5.8-billion-yen (\$19.35-million) loan to help finance the Alexandria port rehabilitation project, the Foreign Ministry announced today.

The announcement said notes on the agreement were exchanged in Cairo today. The loan will help Egypt purchase goods and services from Japan for the port project. The loan is repayable over a 25-year period, including a seven-year grace period, at an annual interest rate of 3.5 per cent, the ministry said.

BRINDISI - PATRAS
Italy - Greece Car Ferries
FOR MORE DETAILS CALL: LONDON 01-253 0000, PARIS 01-253 0000, GENEVA 01-253 0000, FRANKFURT 069-253 0000, ZURICH 01-253 0000, BERLIN 030-253 0000, MUNICH 089-253 0000, MILAN 02-253 0000, BRUSSELS 02-253 0000, ROME 06-253 0000, ATHENS 01-253 0000, NAPLES 081-253 0000, VIENNA 01-253 0000, SOFIA 01-253 0000
EGNATIA - APIA - POSEIDONIA

Soviet-Norwegian Jockeying

Sensitivity at an Arctic Border

OSLO, July 19 (NYT).—A few weeks ago, the Norwegian border commissioner in the north noticed on glancing toward the Soviet frontier that the flagpole bearing the Hammer and Sickle had become taller than the adjacent one on which Norway's colors were flying.

The commissioner, Col. Finn Ramsøy, immediately ordered the Soviet flagpole matched and the incident became part of the folklore of Norwegian-Soviet relations.

The contacts Col. Ramsøy and his 500 border guards have with their Soviet counterparts, who outnumber them by about 10 to 1, are described here as relaxed.

Most problems that Col. Ramsøy has to discuss with his Soviet equivalent over the red telephone in his office and in regular meetings involve occasional stray drunks, fishermen or reindeer.

Troops on Kola
Despite the generally harmonious relations, the frontier and the hundreds of thousands of Soviet troops on the Kola Peninsula nearby create the possibility of thorny diplomatic problems.

These involve negotiations over skill-drainage offshore border lines in contested oil and fishing zones in the Barents Sea and the status of Spitzbergen, the islands far to the north. There, a few thousand Norwegians and Soviet miners live under rules dating back to 1920.

Norway wants to extend its national boundary 200 miles out to sea, as do many other coastal nations. The continuing negotiations with the Soviet Union have been complicated by the oil and fishing possibilities in the area and by Spitzbergen, a desolate Arctic group under Norwegian sovereignty that has coal deposits.

The Soviet Union and several other countries were granted rights there as well but only the Russians have chosen to work the



Norwegian border unit at Kirkenes watches Russians.

coal deposits. The real interest in Spitzbergen, according to experts, is its negative real estate value.

Neither the Soviet Union nor Norway and its NATO allies want the other side to control it or use it to threaten the strategic nuclear submarines in the area.

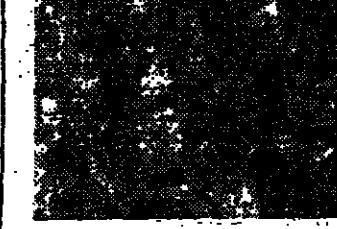
In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.



EMBARRASSMENT OF RICHES—A man and his mother in Leverkusen, West Germany, faced by what to do with 624 bottles of soda water they won on TV.

Mexican Troops Patrol to Halt Tourist Attacks

TIJUANA, Mexico, July 19 (AP).—Mexican troops patrolled the U.S.-Mexican border and tourist-filled Pacific coast beaches during the weekend in an effort to halt a wave of attacks on U.S. visitors.

Officials called out the troops Friday after reports that U.S. citizens had been assaulted, terrorized and robbed. The soldiers roamed the border and the popular beaches of the Baja Peninsula.

"The greatest danger has been during the night hours," said Ensenada Mayor Jorge Moreno Bonet, "so the patrol has been set up for after-dark duty."

Mr. Moreno Bonet said at least 2 million Americans visit Ensenada each year.

He said there have been only a few actual attacks but they created so much bad publicity that tourists have been frightened away.

Israel Devalues Its Pound by 2%

JERUSALEM, July 19 (AP).—Israel devalued its pound by 2 per cent yesterday and linked it to four European currencies in addition to the U.S. dollar.

The new rate of exchange was put at 8.13 pounds to the dollar. The Cabinet decided that the Israeli pound would be linked 35 per cent to the dollar, 25 per cent to the British pound, 20 per cent to the West German mark, 14 per cent to the French franc and 8 per cent to the Dutch guilder.

The incident occurred Saturday after a customs official stopped the man for a routine check as he drove from France into Switzerland. After the shooting, the man escaped on foot, police said.

Drug Suspect Shoots 2 Swiss Customs Men

GENEVA, July 19 (Reuters).—Two Swiss customs officials were seriously wounded when a suspected drug trafficker grabbed a pistol from one of them during a scuffle at the French-Swiss border and opened fire, police reported yesterday.

The incident occurred Saturday after a customs official stopped the man for a routine check as he drove from France into Switzerland. After the shooting, the man escaped on foot, police said.

8 Killed at School Fair

BANGKOK, July 19 (UPI).—A bomb was thrown into a school at a party in a vocational school last night in the Khon Kaen Province capital, killing 8 students and injuring more than 40, police reported.

earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.

In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.

In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.

In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.

In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.

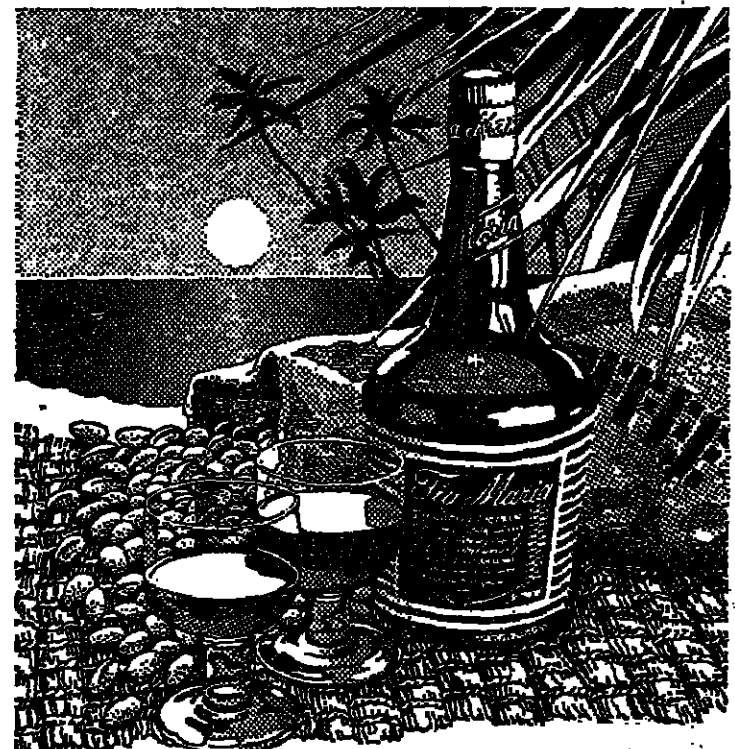
Norway wants to work out a sea-boundary arrangement with the Soviet Union while not giving the Russians cause to fear the Norwegian territory will be used to jeopardize the Soviet presence in the area.

In line with this, Norway insisted earlier this year that Soviet miners on the island send home their wives they had quietly brought in, fearing that the move was a first step toward Soviet colonization.

It has been a major test of Norwegian policy not to let the Soviet Union feel endangered in Norway's NATO ties. As a NATO official here observed: "This is the principal consideration behind the Danish and Norwegian policy of not allowing the stationing of foreign troops or stockpiling of nuclear munitions on their territories in peacetime."

As Norway acquires great wealth, it is finding that its allies expect more from it for its joint defense. Considerable pressure is being generated from NATO headquarters in Brussels for Norway to increase its defense budget as its gross national product rises.

Officials here agree that the country will do more but they insist linking the increase directly to the country's rising productivity.



Give her a few moments in the Caribbean.

Tia Maria

A Dozen 'Great American Faces'

By Jeannette Smyth

WASHINGTON (UPI)—Father and Grandfather face death, their harried and tense in the biographies that Arnold Newman of him, trying to settle his life before open heart surgery. Newman says, into Kabbalah and California. She is a 5-year-old daughter, but it's the issue of where her hand is.

Grandmother is named after of Job's three daughters, and when she's not making a Bicentennial quilt, she's going for the church suppers goes to.

and Pre-Teen Girl has grown since her picture was entered in contest last year, from a my, blue-eyed, gap-toothed to a 12-year-old to a piece of junk of 15 who tries to hide an incipient in.

The Contest
They are among the 12 American faces, mostly white, mostly middle-class—whose faces won The American Face photograph contest, sponsored as a \$100,000-Bicentennial project by the Eye Shoe Corp. The faces go to real people, whose shots—along with 5,000 other—were taken by other real people and chosen for a traveling exhibition by a panel of photographers, including John Durniak, Time, Charles Reynolds of Star Photography and portrait photographer Arnold Newman. In May, then, commissioned Newman to make portraits of the winners. Newman spent 20



At right is John Dorain, the Great American Grandfather. Left is Jason Jardine, 5, the Great Pre-Teen Boy. These are details from the Arnold Newman photos.

shooting and traveling days photographing the 12 faces.

The result is an exhibition which opened last week at the National Visitor Center at Union Station in Washington. After it closes here (Dec 31), it will tour 100 countries under the auspices of the U.S. Information Agency.

Jason Jardine, 5, who lives in Gaithersburg, Md., the Great American Pre-Teen Boy, was here for the opening ceremonies. Jason seems to have won the contest on the basis of an expressive face and big brown Italian eyes. ("Jardine," explains father Carl, a fireman, "is shortened Italian. Guardino.")

Valerie Jardine said the family got 400 in Kinney shoe certificates, a \$50 savings bond for

Jason, and no modeling or television offers for her son's Great American Face. "Absolutely not," she said. "I would not like something like that. There'd be no living with him. He's a little boy and I want him to stay that way."

Farlana

The rest of the Faces live in far-flung places. The Father, Milton Blackstone, fully recovered from surgery he underwent a week after Newman shot his portrait, is a Short Hills, N.J., financier. The Grandfather, John Dorain, 76, who speaks eight languages and worked on New York harbor ferries and tugs, lives with a daughter in Poway, Calif. The mother, Nancy Cowan, who was trained as an



art teacher and doesn't seem to do anything for a living, lives in San Diego.

The Grandmother, Keshia Patterson, a retired home economics teacher, lives on a farm in Marshalltown, Iowa. The Pre-Teen Girl, Sue Brady, who spends a lot of time lying on her bed drawing pictures, lives in Westchester, Calif.

Both the Newman portraits and the amateurs' candid shots are displayed, equal size, as if somebody knew that some of the amateurs' candid character maps

are better—or more real, anyway—than Newman's posed portraits. The amateur's shot of Teen-Aged Boy Paul Wagner of San Antonio, Texas, for example, shows nothing but a long-haired, twinkly-eyed 17-year-old about to say something interesting. Newman's portrait shows a smooth-faced boring punk, one of a million, posed looking up from a book in a classroom. One woman looked at the Newman portrait of Taylor and said, "That's a Great American Face? I see enough of that around the house."

Entertainment in New York

NEW YORK, July 19 (UPI).—This is how critics for The New York Times rated new films:

"Le Magnifique," a French comedy directed by Philippe de Broca, "is so soft it just sort of sloshes around the ankles like a lukewarm footbath," according to Vincent Canby. "It's not unpleasant, but it's not much of anything." Jean-Paul Belmondo plays the dual role of an impoverished writer and the glamorous James Bond-type of hero he creates "with as much verve and style as De Broca's inspirations allow." Jacqueline Bisset is the spy's sultry assistant and the writer's upstairs neighbor. "There is a lot of not very witty cross cutting" between drab Paris and sunny Acapulco, Canby says. "On this point it is impossible to parody the work of Ian Fleming, as De Broca here demonstrates."

"Ride A Wild Pony," from the Walt Disney organization, "is a fundamentally uneventful and somewhat padded story." Lawrence Van Gelder says. It's about two Australian children, one poor, one rich, who both claim ownership of a pony. The messages are all right, "respect for the law and facing up," but it's "an essentially dull movie." Don Chaffey directed.

"The Food of the Gods," produced and directed by Bert I. Gordon, "is a stunningly ridiculous mixture of science fiction and horror film clichés." Vincent Canby says. It takes place on an island where something comes out of the ground, then all the animals start growing and growing and growing. "It prattles plies about clean environment, but it's devoted

mostly to showing us Man in the siege of Hollywood Special Effects, though not very good ones." There is little excitement "but lots of laughs, provided by Gordon's screenplay." The stars include Marjoe Gortner, Ida Lupino and Ralph Meeker.

AUTHORS WANTED BY N. Y. PUBLISHER

Leading book publisher seeks manuscripts of all types: fiction, non-fiction, poetry, scholarly and religious works, etc. New authors welcome. Send in your best! H-J Vantage Press, 516 W 34 St., New York, N.Y. 10001, U.S.A.



THE HERITAGE OF TRADITION Since 1715



LONDON: Beethoven Opens Proms

By Alan Blyth

LONDON, July 19 (UPI).—The best series of concerts we have seen in the world, says Colin Davis recently died the Albert Hall Promenade series. He himself launched the season of Proms Friday night less than two weeks ago. "Miss. Solomons." In the conversation, Davis said that one essential in performing that it should be by someone of faith," and he was true

Man Who Introduced Freud To Holmes Writes 2d Book

By Bob Thomas

LOS ANGELES (AP).—It was an offer right out of "The other" recast as a detective. "One I couldn't refuse." Her had enjoyed a huge success with his first novel, "The Seven-Per-Cent Solution." The clever rendition of Arconan Doyle with Sherlock and Sigmund Freud allied a mystery. Universal bought the best-seller whopping sum, then eager for more.

suggested another Holmes that I told in one sentence, "I can't tell you the or I would give away the of the book."

versal was crazy about the and offered \$400,000. "That is publishing rights today it me up for life. I would anything without having afraid of failure. Still, I want. Would I seem to aing myself, to be cashing a previous success?

best friend and brother who is five years younger vices me on everything, "Don't be an idiot. Take look it."

Another Mix

o he produced "The West error," recently published best-seller lists. Again mixes the fictional detective real-life characters, in such Victorian figures as Bernard Shaw, Gilbert Irvan, Oscar Wilde, Ellen and Henry Irving.

ugh early sales have been

to his word in his interpretation with basically BBC forces.

Rudolf Kempe, who was to have been the new principal conductor of the BBC Symphony Orchestra, should have conducted this opening night. The audience stood for a minute in silence in his memory: he died in May. He was also due to take charge of five other programs in the series, concerts now shared out among several other conductors. As a whole the Proms betray some signs of economic pressure, on the BBC by the current financial situation in Britain. There are no visit-

ing orchestras from abroad, no Mahler symphonies, rather fewer soloists from the topmost flights of international artists. In spite of that, the series remains unique in the catholicity of taste displayed, covering, as Robert Fomsonby, the BBC controller of music, comments in the prospectus, "a span of over 500 years" from 1474 to 1976.

The broadening of the repertoire to include more and more music of much earlier generations has meant the loss of some popular works, but as Fomsonby remarks those can be heard quite regularly at the Festival Hall throughout the rest of the season. There is also a 20th-century extension, concerned mainly with American works as part of the omnibus Bicentennial celebrations, and an emphasis on three anniversaries: the 150th of Weber's death (in London), and the 100th birthdays of Manuel de Falla and Havergal Brian, a neglected symphonist who died only four years ago. Three new works, commissioned by the BBC, come from British composers.

Moving Around

As has been the custom in recent years, the Proms are moving around, to the Round House (for avant-garde music), Westminster Cathedral and St. Augustine's Kilburn, for church music from several eras—but the Albert Hall remains the principal home of the concerts with the BBC Symphony Orchestra bearing the brunt with 23 concerts. It seemed in good shape on opening night: so did its brethren in the BBC Chorus, supplemented by members of the London Symphony Chorus. They unflinchingly fulfilled Beethoven's almost superhuman demands. The attack of the sopranos was superb, and the other choral sections were hardly far behind.

Davis's reading did not attempt a "Toscanini-like" incandescence, nor Giulini's much freer, yet equally intense, approach. Davis concentrated on the devotional aspects of the tremendous score, and his reading seemed to reach its apex in the Benedictus, where Bela Dekany's finely phrased solo violin soared over some reverent singing from soloists and chorus. The most intimate sections of the Credo—"Et incarnatus" and "Crucifixus"—were also well suited to Davis's search for the core of the work's meaning. He let the more inspiring parts, such as the Gloria and the great fugues, to be their own advocates, adopting unforced tempos and an emphasis on clarity of line.

His quartet of soloists, somewhat smaller in scale of sound than we are accustomed to hear in this work, fitted in well with Davis's intentions. It was headed by the clear, unimpeded, sometimes precarious soprano of Ursula Kosut, Polish-born but now working in the West. Her almost virginal tone and radiant sincerity were soundly seconded by Anne Reynolds (notable in her contributions to the Benedictus) and Agnes Del, the well-tuned tenor. Anthony Rolfe Johnson and John Shirley-Quirk's reliable bass.

The work, which was given without a break, was televised and broadcast by the BBC. I suppose some disturbance from cameras in the hall is a small price to pay for the wider dissemination of the performance.

LONDON THEATRES



Harmonious development in all areas and above-average results. Solid progress regionally, nationally and internationally—as a universal bank for the whole of industry and commerce.



In 1975 our long-term business plans again proved successful.

The gradual expansion, along marketing lines, of customer-oriented services continued. We now have at our disposal specialist groups ready to solve the wide variety of complex financing problems encountered in major projects.

More and more customers are becoming interested in our services. We work for medium-sized, large and multinational industrial firms. For the building industry and public authorities. For banks, savings banks and insurance companies. For major institutional and private investors.

Salient features of the '75 accounts, in brief:

- The balance sheet total rose by 11.8% (=DM 1,700 million) to DM 15,800 million. Our volume of business rose to DM 16,500 million.
- The profit for the year—after all ascertainable risks had been covered and a further transfer had been made to undisclosed reserves—reached DM 33.4 million and thus almost trebled.
- Capital and reserves—after a transfer of DM 20 million to the published reserves from the profit for the year—amounted to

DM 289 million. A further increase of DM 20 million in the bank's capital is planned for the current year.

□ Long-term lending to customers continued to expand, in both absolute and relative terms.

□ Initial sales of our own bonds reached DM 2,340 million. Bonds in issue rose by 20% to DM 6,600 million.

□ In the banking services sector—especially in securities and foreign business—substantially higher turnovers were achieved.

□ Our bank was again active as a consortium member in arranging and participating in a great many German and foreign loans.

□ The Rheinland-Palatinate state building society has, in only its second year in business, been able to report a profit and an exceptional increase of 43.7% in new business.

□ Particular growth areas for 1976 are likely to be: credit for industry, export finance and the energy, environmental protection and urban redevelopment sectors.

ASSETS	1974	1975	+/-
	DM million	%	
Cash reserve	162.4	239.6	+47.5
Due from banks	3,055.1	3,388.0	+25.6
Bonds and debentures	1,399.5	1,173.9	-16.1
Loans and advances	7,332.5	7,961.1	+8.6
Transmitted loans	1,686.9	1,802.0	+6.8
LIABILITIES			
Due to banks	4,314.3	4,482.7	+4.0
Due to other creditors	2,016.7	1,882.8	-6.6
Bonds and debentures	5,484.2	6,624.1	+20.8
Capital and published reserves	228.5	288.8	+26.4
Balance sheet total	14,116.8	15,771.7	+11.8
Contingent liabilities	619.7	731.0	+18.2
Number of employees	1,502	1,589	+5.8

As a state bank and central giro bank we are incorporated under public law. We are jointly owned by the Rheinland-Palatinate Government and by the Rheinland-Palatinate savings banks each holding 50%. They both provide an unlimited guarantee of our liabilities with their entire assets. To illustrate the extent of this guarantee, the balance sheet total of the Rheinland-Palatinate savings banks in 1975 was DM 17.5 thousand million and the Rheinland-Palatinate state budget in 1975 amounted to DM 8.1 thousand million.

LANDES BANK RHEINLAND-PFALZ

You can find out more about us from our Annual Report for 1975 which we shall be glad to send you. Landesbank Rheinland-Pfalz—Girozentrale—Marketing Department Postfach 29 69, D 6500 Mainz, W. Germany Telephone (06131) 1011, Telex 4-187818

Ask Rheinland-Pfalz the "crossroads bank"

Landesbank Rheinland-Pfalz—Girozentrale—Mainz, Koblenz, Trier, Saarbrücken. Central institution of the 45 savings banks in Rheinland-Pfalz with 1,250 branches.

The Jagged Summit

Former Premier Aldo Moro of Italy complains that, although he was present at the meeting of industrialized nations in Puerto Rico last month, he was not consulted about the decision of West Germany, France, Great Britain and the United States to refuse aid to his country if Communists entered the government. The decision was released, rather casually, by Bonn Chancellor Helmut Schmidt: it would seem that a very difficult and complex choice had been made, and made public, under circumstances that will not contribute very much to a positive solution to Italy's economic or political problems.

The attachment of political conditions to economic assistance is no new thing. When Pravda, for example, attacks Jimmy Carter for urging the United States to apply economic pressure to the Soviet Union, its statement reads very oddly in light of what the Soviet Union has done to its East European allies through Comecon, and how it is increasing their dependence upon Moscow thereby. To be sure, when the Soviet Union extracts the machinery to build tanks from Eastern Europe, it is less openly aggressive than when it sends those tanks to topple dissident governments, but that does not give Pravda any moral right to preach about far more restricted efforts in the West.

What the West must consider, however, is not the criticism from Moscow, but the effectiveness of its own actions or inactions in achieving a freely governed Western Europe, one that cooperates economically and whose members sustain one another in upholding the democratic process.

For Italy, the task of working back to prosperity is, at best, extremely difficult. The Christian Democratic party has thus far been unable to stem stagflation and, for a variety of reasons, has lost much of the confidence of the Italian people. It is seeking to form a government—but where will it get the kind of leadership and popular support needed to do the job?

If it endeavors to obtain this from the highly plausible and increasingly popular Communists, practical help from those in the Atlantic Alliance who can best give it will be withheld. And the Christian Democrats, if Mr. Moro speaks for them, are annoyed at his treatment at that jagged summit, in which Italy was apparently exiled to a slender and shaky peak of its own while the rest discussed the relevant and important issues of Communist participation in the Italian government.

There are good reasons for discouraging Communist entry into a Western European government, despite the dissents which Western European Communist parties have registered to Moscow rule and to many dictatorial aspects of historical Communism. It is certainly too delicate a matter to be handled in the clumsy way the anti-Communist four have done thus far. If Italy is worth saving—and it surely is—the rough spots in the summit will have to be smoothed out, and the choices expressed with some dignity. This may seem a matter more of form than substance, (although substance, too, is still in question), but form is highly significant in relations between sovereign states.

Now the Republicans

Now that Jimmy Carter of Georgia has achieved the impossible by walking away with the Democratic nomination for the presidency and brilliantly capped his triumph by selecting Sen. Mondale of Minnesota as his running mate, the Republicans are left in more of a quandary than ever.

For the Democrats have emerged with the strongest ticket they could possibly have put together. Mr. Carter, despite traces of populism stemming from his Southern origins, has presented himself—and won the nomination—essentially as a liberal conservative who occupies the middle-of-the-road. If that description seems to cover very nearly the entire waterfront of U.S. politics, that is exactly what Carter has thus far succeeded in doing. By choosing Mondale for the vice-presidential nomination, he has given strong and needed reassurance to the liberals that he is outside his party, without frightening away any Democrats of more conservative cast of mind.

Naturally, as the campaign develops, Carter's position will have to be more sharply defined on an infinite variety of issues facing the country, ranging from energy development to aid for the cities, from arms controls to price controls. But the Democratic candidates and the Democratic platform have established a broad and solid base from which to challenge the Republican nominee—wherever he may turn out to be.

This does not mean that the outcome of the election is a foregone conclusion. Obviously the political odds at this point are strongly in favor of the Democrats; but equally obviously, no national political contest in this country is ever won until the votes are counted—and the experience of 1948 is only one dramatic case in point. With an incumbent administration and a President who, for all his faults, is personally appealing to a large number of ap-

litical Americans, the GOP has a built-in advantage that has not yet been entirely eroded by the record of this administration, by the telling attacks of the opposition party or by the savage in-fighting among the Republicans themselves.

There is one way, it seems to us, in which the Republicans could dig their own political grave for 1976 as surely as anything can be done in U.S. politics. That is by capitulating to the far right wing of the party that forms the core support of Ronald Reagan in his quest for the nomination.

To put it in the crudest political terms, the far right of the GOP has no place else to go; yet the nomination of Reagan for the presidency (or, for that matter, even for the vice-presidency on a Ford ticket) would surely alienate the most important centrist and liberal segments of the Republican party, without whose support it could not conceivably achieve national success.

While a superficial case has been made that Reagan is strongest where Carter is weakest, and therefore could make inroads on the Democratic vote in, say, the Far West, even that argument does not hold up in the face of the evident alienation of middle-of-the-road Republicans (not to mention Democrats) from Reagan—especially in light of the wild positions he has taken in the course of this campaign. His nomination in Kansas City next month would drive independent-minded Republicans away from the ticket in droves; and even if they did not move over to the Democratic side, they could not conscientiously vote for such an extremist as Reagan—nor would they.

After the Goldwater debacle of 1964, if the Republican party of 1976 now should turn to Ronald Reagan as its nominee, it will have learned nothing and forgotten nothing like the Bourbon kings. It would, in fact, only invite their political fate.

THE NEW YORK TIMES.

The Rising Yen

In recent months, the United States and other Western industrial countries have been critical of Japan for allegedly preventing a rise in the value of the yen, in order to help Japanese export sales.

Last week the value of the Japanese yen started rising against the dollar—in effect, depreciation of the dollar and appreciation of the yen. It is not clear whether this occurred because the Japanese government has decided to accede to Western criticism or despite Japan's refusal to stop intervening to hold down the value of the yen.

The Bank of Japan has certainly been buying a lot of dollars—as much as \$200 million a day, according to some reports. Japanese officials insist the Bank of Japan has been intervening in the foreign exchange market only to smooth out erratic fluctuations in the yen's rate—action that would be consistent with the agreement reached among the major industrial nations at the Rambouillet conference last November. By week's end, in fact, the yen had dropped back, losing half its earlier gain.

Unfortunately, under the murky condi-

tions of international finance and the uncertain rules of the present international monetary system, nobody can be entirely sure when a nation is intervening to block a rise in its currency in order to help its export industries and when it is simply trying to smooth erratic fluctuations. But the burden of proof certainly ought to be upon the nation that heavily and continuously intervenes to check a rise in the value of its money.

International surveillance and criticism, such as are now being carried out on a somewhat catch-as-catch-can basis, ought to be regularized and formalized within the International Monetary Fund.

Firmer guidelines are needed to enable countries to know when intervention to curb or support their currency will be regarded as acceptable and when intervention will be seen as a form of unfair trade practice—likely to invite retaliation by others. Fair exchange-rate behavior needs to be seen as the necessary adjunct to liberal trade and investment policies.

THE NEW YORK TIMES

In the International Edition

Seventy-Five Years Ago

July 28, 1901

LONDON.—Yesterday saw the hottest temperature London has experienced this century. The official record was 32 degrees C. (90 degrees F.) in the shade. This was taken at Brixton, but in streets like the Strand or Chancery a temperature two degrees higher still was registered. In the full rays of the sun the heat was unbearable, hospitals were busy with heat cases but there were no deaths.

Fifty Years Ago

July 28, 1926

LONDON.—The British Medical Association in convention voted by a large majority at Nottingham yesterday to appoint a committee to investigate psychosomatics. Advocates of the inquiry argued that the time had come when psychosomatics should be thoroughly dealt with so that both the public and members of the profession might get a definite and clearer pronouncement on the subject.



'It's New, Man—It's Bound to Have a Few Little Bugs.'

And Now the Election

By Anthony Lewis

NEW YORK.—When people have come to think that politics will do nothing for them, they don't care—and they don't vote. How does a challenger convince them that the system can be made to work for them?

One of Jimmy Carter's people put in these words a concern that is much in the Democratic candidate's mind as he moves from party competitor to election campaigner. That is the problem of voter apathy: The feeling in the United States these days that it makes no difference who is elected.

This is a low-voting country at the best of times, compared to most other democracies. In 1972 only about 55 per cent of Americans of voting age bothered to vote for president. And the feeling of futility and discontent with the political process has grown worse since then. Some political analysts believe the turnout will fall below 50 per cent this year.

Hurts Democrats

Low voting figures are traditionally reckoned to hurt the Democrats. Suburban and more affluent voters, the most likely Republicans, tend to vote anyway, those who do not are among population groups on whom the Democrats rely: blacks, blue-collar white and the young. (Despite the talk of youth in politics in 1972, the turnout of voters 18 to 24 was abysmally low.)

All this indicates one reason for Carter's sharp warning against overconfidence last week. The general euphoria in Madison Square Garden, on top of polls showing Carter well ahead of either Gerald Ford or Ronald Reagan at this point, produced a lot of talk around the convention to the effect that he is a sure winner. But the candidate and his advisers do not believe that—or anything like it. "It's just not that solid," Patrick Caddell, who does the Carter polling, said. "People still do not know Jimmy Carter that well. They have not made final judgments about him. They have not made hard vote commitments. There is no intensity of feeling."

One way of arousing potential Democratic voters to get to the polls would be, in the short-hand cliché, charisma. For all his success in the primaries, Carter has not seemed to have that particular personal magic. This ability to arouse intense feelings of admiration or identification in the audience, emotions did grow warmer at the convention, toward the end, but it is still to be seen whether that can translate into a strong personal attraction in the country.

Personal Appeal

Judging by history, it is unlikely that a politician's personal appeal can move Americans to vote in large numbers unless, and until, he is president. Franklin Roosevelt was first elected in the crisis of the Depression, in 1932, but the turnout was much larger after his first term, in 1936. Kennedy was the exemplar of charisma, but he won the narrowest of victories in 1960.

Incumbency is a most powerful asset in a presidential election, and the Carter people know what it will mean if Gerald Ford is the Republican nominee. He can always put himself in the forefront with an emergency evacuation from Lebanon or a

swine flu vaccination program or a summit meeting—however meaningless the event really is. Most of all, President Ford is a known quantity. He seems safe.

There's no way Carter can be safer than Gerald Ford," one Democratic analyst said. "Against Ford he's a risk. The question is whether he will excite people to take the risk."

Pat Caddell put it similarly: "Ford isn't going to lead you anywhere—people know that. But they need a stronger feeling of where Carter is going. We've got to convince people it's worth investing the effort to take a gamble, as you always must with a challenger."

Requirement

The logic of this view is that a challenger must seem at the same time daring and reassuring. And Jimmy Carter may be the nominee because he fits that curious requirement. He calls for a change, for an end to stalemate, but he talks in the reas-

suring terms of a return to U.S. principle. He emphasizes the need for reform and compassion, but his manner is measured, detached, careful.

"Government has its limits," he said in his acceptance speech; but "we Americans reject the view that we must be reconciled to failure and mediocrity." Thus he mixed caution and challenge—and determination. As he listed what the country needed and what he would do as president, he added the refrain: "...and you can depend on it." The phrase was pure Jimmy Carter.

The Carter strategists are aware that he has not ended all Democrats' uneasiness about him. Catholics, especially, are a cause of concern. But the campaign planners are reasonably optimistic that party unity will continue on from the convention. Their worry right now is Democratic overconfidence in the campaign, boredom among the voters.

Israel and 'Intransigence'

By Leonard Garment

almost a premise of Israel intransigence.

The notion of Israel intransigence flows from the conventional analysis of the Middle East power balance. Since the Arabs—according to this analysis—have all the strategic cards: population, geography, and, above all else, oil, Israel must eventually give in, or be made to give in. Being the most rational of people, the Israelis will ultimately do what logic commands. Therefore, Israel's temporary refusal to recognize what is inevitable and to act appropriately represents "intransigence."

The relevant formulations are now familiar ones: Israel may yield a few inches here and a few words there, but basically all this is tactical, and basically its negotiating attitude is marked by stubbornness, unreasonable, intractability—that is, "intransigence."

Almost a Premise

Arab leaders are surprisingly flexible, Israeli leaders are predictably unyielding. Repeated often enough, almost any proposition will gain adherents; and so it is with the proposition—now

Persuasion

Why, then, is Israel almost invariably singled out for criticism? Because the analysis tells us that Israel's strategic inferiority means that in the long run and on crucial points of disagreement Israel is the party that will have to yield. Making that clear now simply tends to hasten and soften the process of persuasion.

The fallacy implicit in this analysis is that it assumes Israel will act in accordance with a decision by third parties as to what is objectively logical and reasonable, what is, so to speak, in everybody's interest. Writing as an outsider, I am virtually certain that Israel will not be so logical and accommodating. Nor should it be. There is no reason why it should entrust others with judgments affecting its survival. There is no reason why it should make life unsafe for itself in order to make life easier for others. Every page of Jewish history points in a different direction.

The uneven and unfair characterization of Israeli policy as "intransigent" is also dangerous. Norman Podhoretz points out that the greatest danger in the Middle East lies in policies which

Andrew Hargrave
From Glasgow:

The chances are that British politics will be dominated in the last quarter of the century by the Scottish question unless the lessons of Ireland are learned.

GLASGOW.—For most of the first quarter of the 20th century, the Irish question was never far from the top of the agenda of British politics. Its aftermath is unfortunately still with us in the continuing tragedy of Ulster.

The chances are that the last quarter of the century will be dominated by the Scottish question unless the lessons of Ireland are learned. This was openly implied by no less a man than Edward Short, M.P., deputy leader of the Labor party, who was until recently in charge of Scottish and Welsh devolution.

The bill to be introduced in November, at the beginning of the 1976-77 parliamentary session, is expected to occupy fully half the total time on the floor of the House of Commons during that year. The setting up of directly elected assemblies for Scotland and Wales to legislate over education, social services, planning, housing, local government and certain aspects of industry, the law, agriculture and fisheries are only part of its vast constitutional complexity. For it should also be kept in mind that the powers of the assemblies will be different, greater for Scotland than for Wales.

Key Votes

At present the party holds 41 of the 71 Scottish seats. Had it not been for its strength in Scotland, the Labor party would have been only a second government since the war. In 1945 and 1966, and the 1950, 1964 and two 1974 elections would have been lost.

This, more than its intrinsic belief in devolution, has prompted the Labor government to persist with this complex and controversial bill.

If, as a result of events outside its control such as a party revolt against further public expenditure cuts, a fresh slide of the pound sterling, a reverse in the battle against inflation, or simply an erosion of parliamentary strength through by-election defeats, the government is forced to go to the country during the next session it may be able to proclaim its good faith in at least trying to carry out its 1974 devolution election pledge.

It could then argue that but for the election the bill would be on a statute book, and the assemblies in Scotland and Wales set up. It could also frighten the Scottish and Welsh electorates from voting Conservative and so risk "devolution without teeth," or from voting Nationalist and so risk the disintegration of the United Kingdom.

Withdrawal Support

If, however, the present Parliament lasts beyond next year but the devolution bill is thwarted by a large minority in the government's own ranks, the electorates in Scotland and Wales, particularly in the former, may react by a large withdrawal of their vote support.

The Labor party has already suffered a series of humiliating defeats in local government by-elections in Scotland, particularly at the hands of the Nationalists. While these could, to some extent, be ascribed to low turnout, the usual protest vote against the government in power (particularly at a time of high unemployment and specific local issues), their significance has not been lost on the party managers in London, nor in Scotland.

Hence the angry reaction to Mr. Dalrymple's move by Mr. Foot and his chief electoral aide, the Scottish M.P., John Smith, in this article indicated, more is at stake in this devolution debate than the fortunes of the Labor party and government.

Further Growth

Since the last election, Scottish opinion polls have shown further growth in support for devolution of some kind, with up to half of those asked demanding powers greater than envisaged in the government's devolution white paper.

Combined with increasingly optimistic forecasts about the size and financial benefits of the North Sea oil and gas, Scottish expectations for a say in their own affairs have steadily been building up. To dash these hopes, as they would if the devolution bill failed or were held up, may provoke a fierce backlash against those who thwarted it—rightly or wrongly, the English?

That is why the coming session in Parliament may be as fateful for the integrity of the United Kingdom as those distant ones in the late 19th and early 20th century when Gladstone and Lloyd George tried in vain to carry Irish home rule in the unresponsive Westminster lobbies.

JPM 10150

Korean Air Lines.

Starting 15 July 1976, you have to choose.



Paris-Seoul: Two flights per week.

15 July 1976 Korean Air Lines inaugurates a third flight between Europe and Korea: Zurich-Seoul, every Thursday by DC 10.

Zurich and Switzerland have hidden charms. Plus the fact that perhaps it's closer to where you leave from. In Zurich you're in Seoul. In Seoul you're in Tokyo, Osaka, Fukuoka, Hongkong. Thanks to Korean Air Lines you're everywhere in the Far East.

Everyplace where business is, it is done with you, or without you. You're in Pusan, Cheju, Taipei, Manila. Names dreams are made of,



Zurich-Seoul: One flight per week.

even a businessman's.

What's more, Korean Air Lines has chosen the southerly route by way of Bahrain.

A first step and you're in the Middle East. A second step and you're in the Far East.

N.B. If the next time you leave for Seoul on Tuesday or Saturday, go by way of Paris. It's great. Too.

Please get information from our offices:

Paris, 9, bd de la Madeleine - 75001 Paris

Tél. 261.58.46 - Zurich, Terminal B, Büro B2-726

8058 Zurich Kloten Flughafen-Tel. (01) 816.25.29.



KOREAN AIR LINES

NEW YORK (AP) — Weekly Over the Counter stocks shows the high, low and last bid prices for the week ending July 16, 1976. All quotations supplied by the National Association of Securities Dealers Inc., are not actual transactions but are representative of the market. Quotations on securities which have not been sold, are marked "no bid." Sales supplied by NASD.

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Over-Counter Market

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Symbol	High	Low	Last	Change
APC Elect	100 1/2	99 1/2	100 1/2	+1/2
APC Inc	50 1/2	49 1/2	50 1/2	+1/2
APC Corp	25 1/2	24 1/2	25 1/2	+1/2
APC Energy	10 1/2	9 1/2	10 1/2	+1/2
APC Gas	5 1/2	4 1/2	5 1/2	+1/2
APC Oil	2 1/2	1 1/2	2 1/2	+1/2
APC Power	1 1/2	1 1/2	1 1/2	+1/2
APC Water	1 1/2	1 1/2	1 1/2	+1/2
APC Waste	1 1/2	1 1/2	1 1/2	+1/2
APC Tele	1 1/2	1 1/2	1 1/2	+1/2
APC Comm	1 1/2	1 1/2	1 1/2	+1/2
APC Trans	1 1/2	1 1/2	1 1/2	+1/2
APC Equip	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2
APC Maint	1 1/2	1 1/2	1 1/2	+1/2
APC Supp	1 1/2	1 1/2	1 1/2	+1/2
APC Serv	1 1/2	1 1/2	1 1/2	+1/2
APC Cons	1 1/2	1 1/2	1 1/2	+1/2
APC Oper	1 1/2	1 1/2	1 1/2	+1/2

Morgan Guaranty Trust Company

OF NEW YORK

Consolidated statement of condition June 30, 1976

Assets

Cash and due from banks	\$ 4,293,870,259
Interest-bearing deposits at banks	4,064,128,918
U. S. Treasury securities	1,360,865,343
Obligations of U. S. government agencies	123,678,803
Obligations of states and political subdivisions	899,053,561
Other investment securities	442,536,057
Trading account securities, net	205,047,416
Federal funds sold and securities purchased under agreements to resell	187,961,651
Loans, less reserve of \$140,776,970 for possible loan losses	12,592,389,354
Premises and equipment, net	118,725,347
Customers' acceptance liability	856,887,906
Other assets	785,414,567
Total assets	\$25,929,559,182

Liabilities

Demand deposits	\$ 6,653,117,642
Time deposits	2,399,934,055
Deposits in foreign offices	9,883,260,649
Total deposits	18,936,312,346
Federal funds purchased and securities sold under agreements to repurchase	2,664,143,509
Commercial paper of a subsidiary	80,838,583
Other liabilities for borrowed money	963,860,942
Accrued taxes and expenses	355,593,506
Liability on acceptances	860,677,900
Dividend payable	25,000,000
Convertible debentures of a subsidiary (4 1/4%, due 1987)	50,000,000
Capital notes (6 1/2%, due 1978)	100,000,000
Capital notes (5%, due 1992)	84,074,997
Mortgage payable	14,862,607
Other liabilities	417,346,326
Total liabilities	\$24,552,710,716

Stockholder's equity

Capital stock, \$25 par value (10,000,000 shares)	\$ 250,000,000
Surplus	518,385,000
Undivided profits	608,463,466
Total stockholder's equity	1,376,848,466
Total liabilities and stockholder's equity	\$25,929,559,182

Assets carried at \$2,354,018,000 in the above statement were pledged as collateral for borrowings, to secure public monies as required by law, to qualify for fiduciary powers, and for other purposes.

Member, Federal Reserve System, Federal Deposit Insurance Corporation

Paris Office 14, Place Vendôme

Offices also in New York, London, Brussels, Antwerp, Amsterdam (Bank Morgan Labouchere N.V.), Frankfurt, Düsseldorf, Munich, Zurich, Milan and Rome (Banca Morgan Vonwiller S.p.A.), Tokyo, Singapore, Nassau

Representative offices in Madrid, Beirut, Sydney, Hong Kong, Manila, São Paulo, Caracas

Morgan Guaranty Investment Services S.A., Geneva

Directors

ELLMORE C. PATTERSON
Chairman of the Board

WALTER H. PAGE
President

J. PAUL AUSTIN
Chairman of the Board
The Coca-Cola Company

R. MANNING BROWN JR.
Chairman of the Board
New York Life Insurance Company

CARTER L. BURGESS
Chairman, Foreign Policy Association

FRANK T. CARY
Chairman of the Board
International Business Machines Corporation

W. GRAHAM CLAYTON JR.
Chairman and Chief Executive Officer
Southern Railway System

EMILIO G. COLLADO
Former Executive Vice President and Director
Exxon Corporation

CHARLES D. DICKEY JR.
Chairman and President
Scott Paper Company

JOHN T. DORRANCE JR.
Chairman of the Board
Campbell Soup Company

WALTER A. FALLON
President, Eastman Kodak Company

LEWIS W. FOY
Chairman, Bethlehem Steel Corporation

HOWARD W. JOHNSON
Chairman of the Corporation
Massachusetts Institute of Technology

RALPH F. LEACH
Chairman of the Executive Committee

JOHN M. MEYER JR.

HOWARD J. MORGENS
Chairman of the Executive Committee
The Procter & Gamble Company

DEWITT PETERLIN JR.
Vice Chairman of the Board

LEWIS T. PRESTON
Vice Chairman of the Board

DONALD E. PROCKNOW
President
Western Electric Company, Incorporated

THOMAS RODD
Vice Chairman of the Board

JOHN P. SCHROEDER
Vice Chairman of the Board

Franc Off, Deflation Moves Abroad Another 1.4% Against Dollar

6 Loss Totals 9.2%
ate at a 2-Year Low

By Carl Gewirtz
PARIS, July 19 (IHT).—The franc lost another 1.4 per cent in value against the dollar in the foreign exchange market today, bringing the loss for the week to 3 per cent and the loss for the year to date to 9.2 per cent.

The franc finished the day at 166.45 francs to the dollar, compared to 166.40 on Friday—the lowest it has been since May 1974. At its worst, it cost 436 francs to buy a dollar. But a combination of the banking and perhaps some central bank intervention pushed the franc back to 433.

Overall, however, the Bank of France has remained on the sidelines, making no effort to hold the rate at any particular level. It prompts currency dealers to speculate that the government is unhappy to see the franc depreciate. Most dealers believe the rate had to move "sooner or later" as the currency was "valued in the light of the kind of rapid rate of inflation which is running close to 10 per cent a year."

About the only action the government has taken has been to "step up short-term interest rates in an effort to discourage speculation from 'shorting' the franc—allowing francs to sell for dollars (or other currencies) on the spot market at the francs can be repurchased more cheaply at a later date."

For six-month money, the rate is now at 9 to 9 1/4 per cent, compared to 8 to 8 1/4 per cent a week ago. The danger of a maneuver, however, is that interest rates will be pushed up because the franc is so weak. The government is seeking the money to finance its own expansion—putting upward pressure on the franc's economic recovery.

He built of the speculation, however, is in the form of "orders and legs"—importers and others either accelerating or delaying foreign trade payments. A dealer observed that "only a tip of the iceberg" has been seen so far. He noted that many were closed last Tuesday and Wednesday for the Bastille Day holiday and many Frenchmen took the rest of the week off. As they return to work and the rate moves rapidly, they are driven to jump into the market, this dealer says, to take advantage of the franc's depreciation against the dollar. It also lost ground against the deutsche mark—a significant decline as West Germany is France's largest trading partner. It cost 191.2 francs to buy 100 DM today compared to 189.55 Friday.

The 250 million will be equivalent to the net book value of Aramco's remaining assets in Saudi Arabia.

Prince Fahd said the Aramco concession and installations. The government had earlier acquired a 60-per cent stake in the company.

The \$250 million will be equivalent to the net book value of Aramco's remaining assets in Saudi Arabia.

Prince Fahd was quoted as saying three new oil fields recently discovered by Aramco have raised Saudi oil reserves to 187 billion barrels. This is equivalent to about a third of total known world oil reserves.

He said Saudi Arabia will consider expanding into oil marketing and distribution outside its own borders once it completes its plans to have 100 per cent ownership of its own oil production.

Prince Fahd was quoted as saying three new oil fields recently discovered by Aramco have raised Saudi oil reserves to 187 billion barrels. This is equivalent to about a third of total known world oil reserves.

He said Saudi Arabia will consider expanding into oil marketing and distribution outside its own borders once it completes its plans to have 100 per cent ownership of its own oil production.

Prince Fahd was quoted as saying three new oil fields recently discovered by Aramco have raised Saudi oil reserves to 187 billion barrels. This is equivalent to about a third of total known world oil reserves.

He said Saudi Arabia will consider expanding into oil marketing and distribution outside its own borders once it completes its plans to have 100 per cent ownership of its own oil production.

Prince Fahd was quoted as saying three new oil fields recently discovered by Aramco have raised Saudi oil reserves to 187 billion barrels. This is equivalent to about a third of total known world oil reserves.

LONDON, July 19 (AP-DJ).—Britain, attempting to claw its way out of recession by selling more goods abroad, is concerned that a number of other countries may take, or may already have taken, deflationary steps that will have the effect of reducing the growth of world trade, Edmund Dell, Secretary of State for Trade, said today.

He told journalists that worries about a renewed upturn of global inflation are premature. Unemployment and underutilization of industrial capacity remain high in most major nations, he claimed.

He was also critical of nations that apparently have not expanded their economies, and thus their import demand, fast enough. He said he would like to see Japan, which is running a large surplus, bring its trade into better balance.

Asked if the Japanese government is moving in the direction favored by Britain, Mr. Dell replied: "Not as much as I would like."

He said, trouble would result if some countries run "enormous" balance-of-payments surpluses indefinitely irrespective of the unfavorable consequences that these have on their trading partners. Reciprocity is required, the minister said.

In the context of counter-inflationary moves, Mr. Dell noted that West Germany has some "automatic" deflationary mechanisms built into its current economic programs that may soon begin taking effect. He characterized the policy stance of the United States as "uncertain to a degree."

Although no major country has actually switched to policies aimed at slowing rather than stimulating economic growth, a number of indications of moves toward that direction have appeared. In Europe, several countries have raised interest rates in recent months and France is reported to be drafting a new counter-inflation program to be deployed this autumn.

Britain, lagging behind most other large countries in recovering from the last recession, has not yet begun to stimulate domestic demand and does not for the time being have any intention of doing so.

With the domestic market dull and with the price of British goods "extremely competitive" in the words of Mr. Dell, as a result of the decline of sterling, U.K. export volume is currently up about 12 per cent from the year-earlier level.

Mr. Dell said the export surge will continue as long as the union-government pact on wage restraint holds up and providing the government does not allow "an explosion of the money supply."

But import volume, too, is rising sharply, a development the minister attributed to a replenishment of inventories and to investment with new equipment purchases abroad. In addition, Britain's imports in value terms have been pushed up by the unfavorable effect of the decline of sterling, giving the country a \$1.4-billion trade deficit in the first half of 1976, only a small improvement from the year-earlier \$1.53-billion deficit.

Mr. Dell said that he expected continued "strong pressure" for import controls as long as unemployment continues high, but he said the government will resist such pressures.

"I can't think of a worse moment to impose controls on imports," he said, noting that such a move would almost surely hurt Britain's export drive.

THE HAGUE, July 19 (AP-DJ).—The Netherlands registered a trade surplus of 78 million guilders (about \$27.7 million) in May against a deficit of 47 million guilders the year-earlier month, the government announced today.

A monetarist policy by the central bank is one that concentrates on a target for growth of the nation's money supply (which has several different definitions) far more than the control of interest rates or other "money-market" conditions.

The Fed's current policy approach is only quasi-monetarist because, while its targets are expressed in terms of the money supply, it achieves them—or seeks to achieve them—by manipulating a particular interest rate, known as the federal-funds rate. This is essentially the rate on overnight loans of reserves between banks.

A purely monetarist policy, such as has been advocated for years by Prof. Milton Friedman of the University of Chicago, would have the Fed pick a target for money supply, provide exactly the amount of bank reserves to achieve that target and let interest rates in the marketplace move where they will.

The Fed has not gone that far. Instead, it sets a money-supply target and then, if the actual figures stray outside the target range, it manipulates the federal-funds rate to try to bring them back into line. The technique seems to work, at least so far, though Prof. Friedman and others of the monetarist school are far from satisfied with it.

What is the consequence of all of this? The answer, as the money and bond markets have already learned well, can be described in a sequence:

The weekly money-supply figures begin to grow quite rapidly, faster than the now-published Fed target calls for. This continues for about four weeks. Then, as the night follows the day, the Fed will move upward its target for federal funds by a quarter or a half or three-quarters of 1 per cent. The Fed can directly control this rate by daily interventions in the market.

Promptly the cluster of other money-market rates—Treasury bills, commercial paper, bankers' acceptance, certificates of deposit—rise by approximately the same amount.

The sequence has worked almost like clockwork, at least since early 1975, when a congressional resolution passed by Congress, the Fed began for the first time making public in advance its money-supply targets.

Last week, the Fed reported a \$2.6-billion bulge in the nation's basic money supply, raising fears that, as one observer of the market said, "there is no room for further ease" as far as the Fed's monetary policy is concerned.

Some optimistic market participants had been hoping for a further downward adjustment by the Fed to a target for the federal-funds rate of 5 per cent, but most no longer believe this is likely to occur.

Arthur Burns, chairman of the Fed, has said repeatedly that one-way movements of the money supply are meaningless, often just "statistical noise."

No one disputes this statement, but every bulge or slowdown of the money supply must begin with a given week. If the trend continues for two or three more weeks, the signal becomes loud and clear that the Fed will move. There is thus no escaping looking at each week individually.

Henry Kaufman, of Salomon Brothers, has found that over about the last year the average movement—up or down—of government bond prices has been about twice as large on Fridays (when the weekly money-supply figures appear) as on the first four trading days of each week. Prices go up (signaling slightly lower interest rates) when the money-supply growth is small or negative and they go down when the money-supply growth is large.

Today, with the federal funds rate trading at 5 3/8 per cent, the Fed entered the market to provide temporary bank reserves, helping to drop the funds rate to 5 1/8. But they finished at 5 3/8. However, 13-week Treasury bill rates were at 5.22 per cent bid, up from 5.18 per cent Friday, while one-year bills were at 5.83 per cent against 5.78 per cent last week.

Dealers said that today's activity by the Fed implies that there will not be any immediate change towards a firmer policy.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

The price was set at \$117.75 at the morning fix, and at \$114.15 in the afternoon, down from \$117.85 Friday, and later fell even lower. The unofficial closing price last week was \$117 an ounce.

Dealers said gold appeared to be heading for a new level of around \$110 amid a general lack of enthusiasm among investors, disappointed at the result of the IMF auction.

The auction realized a price of \$122.05 an ounce for the 780,000 ounces sold. A third IMF auction, to finance a trust fund for developing countries, is scheduled for Sept. 15.

U.S. Investments By Foreign Cos. Up 60 Per Cent

NEW YORK, July 19 (UPI).—Foreign investments in U.S. manufacturing companies in the first half of 1976 surged 60 per cent above the same period last year, according to the Conference Board.

The private research organization said today that 70 foreign firms announced investments in U.S. manufacturing concerns in the second quarter, following 55 such investments in the first quarter of this year.

Almost half—47 per cent—of the foreign investments involve the acquisitions of U.S. firms, the board said.

Canadian companies, which reported 26 U.S. investments in the first half, helped spark the sharp upturn. Canadian activity in this area during the first six months almost equaled its total for 1975.

In the second quarter, Canada had the largest number of U.S. investments at 14, followed by Britain with 10. The most popular industry was nonelectrical machinery (12), chemicals (11) and electrical machinery and food (8 apiece), the board said.

Some dealers described this morning's action as a "blood-bath" as prices fell up to two points on issues as the underwriters issued the support from the initial offering prices.

Wheat futures closed 11 1/2 cents lower and corn was down 7 cents.

Rain fell over central sections of the country during the week-end and more was forecast throughout the week. There also were reports of rain in portions of Europe where drought also was nearing a critical stage.

This brought the loss since Wednesday's second international Monetary Fund gold auction in Washington to nearly \$9.

Mexico investment opportunities.

The vigorous growth of Mexico's economy offers a great opportunity to investors seeking high yields with a minimum of risk.

Mexico's development over the past 10 years is a good indication of what is to come in the future. In the last decade, Gross National Product increased at an annual rate of 7%, and its financial institutions have become stronger and more competitive in world markets. Economic and political stability is an additional factor giving confidence to investors; together with the free convertibility of the Mexican peso and its unchanged parity with the U.S. dollar since 1954, it constitutes a commanding reason for investing in Mexico.

The Banco Nacional de México, with over 4 billion dollars in assets, and 405 branches, has been servicing the investor since 1884. It is the Bank in Mexico. It has all the know-how required to make your investments more profitable.

TYPE OF INVESTMENT*	TERM	INTEREST PAYABLE	ANNUAL YIELD	MINIMUM INVESTMENT
PROMISSORY NOTES	12 MONTHS	MONTHLY	12.00%	\$ 100,000.00**
	24 MONTHS	MONTHLY	13.00%	\$ 100,000.00**
	36 MONTHS	MONTHLY	14.00%	\$ 100,000.00**
CERTIFICATE OF DEPOSIT	6 MONTHS	MONTHLY	9.00%	\$ 100,000.00**
	9 MONTHS	MONTHLY	10.00%	\$ 100,000.00**
	12 MONTHS	MONTHLY	11.00%	\$ 100,000.00**
FINANCIAL BONDS	ON DEMAND	QUARTERLY	5.00%	\$ 1,000.00**
	ON DEMAND	MONTHLY	7.00%	\$ 100,000.00**
	ON DEMAND	MONTHLY	9.00%	\$ 100,000.00**
TIME DEPOSIT IN DOLLARS*	90 DAYS	AT MATURITY	8.00%	\$ 1,000.00**
	180 DAYS	AT MATURITY	9.00%	\$ 1,000.00**
	360 DAYS	AT MATURITY	10.00%	\$ 1,000.00**

— *Journal of the American Medical Association*, 1997

